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SITTING DAYS—2008

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- **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

Printed by authority of the House of Representatives
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<td>Vamvakinou, Maria</td>
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<td>Washer, Malcolm James</td>
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<td>Zappia, Tony</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—A Thompson
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<td>Prime Minister</td>
<td>Hon. Kevin Rudd, MP</td>
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<td>Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion</td>
<td>Hon. Julia Gillard, MP</td>
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<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Immigration and Citizenship and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<td>Special Minister of State, Cabinet Secretary and Vice President of the Executive Council</td>
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<td>Hon. Joel Fitzgibbon MP</td>
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<td>Hon. Nicola Roxon MP</td>
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<td>Hon. Jenny Macklin MP</td>
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<td>Hon. Lindsay Tanner MP</td>
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<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
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<td>Minister for Climate Change and Water</td>
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<td>Minister for Human Services and Manager of Government Business in the Senate</td>
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<td>Minister for Resources and Energy and Minister for Tourism</td>
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[The above ministers constitute the cabinet]
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Minister for Home Affairs                Hon. Bob Debus MP
Assistant Treasurer and Minister for Competition Policy and Consumer Affairs Hon. Chris Bowen MP
Minister for Veterans’ Affairs           Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women Hon. Tanya Plibersek MP
Minister for Employment Participation   Hon. Brendan O’Connor MP
Minister for Defence Science and Personnel Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation Hon. Dr Craig Emerson MP
Minister for Superannuation and Corporate Law Senator Hon. Nick Sherry
Minister for Ageing                     Hon. Justine Elliot MP
Minister for Youth and Minister for Sport Hon. Kate Ellis MP
Parliamentary Secretary for Early Childhood Education and Childcare Hon. Maxine McKew MP
Parliamentary Secretary for Defence Procurement Hon. Greg Combet AM, MP
Parliamentary Secretary for Defence Support Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Regional Development and Northern Australia Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children’s Services Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs Hon. Duncan Kerr MP
Parliamentary Secretary to the Prime Minister Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion Senator Hon. Ursula Stephens
Parliamentary Secretary to the Minister for Trade Hon. John Murphy MP
Parliamentary Secretary to the Minister for Health and Ageing Senator Hon. Jan McLucas
Parliamentary Secretary for Multicultural Affairs and Settlement Services Hon. Laurie Ferguson MP
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>Steven Ciobo MP</td>
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<td>Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs</td>
<td>Hon. Sharman Stone MP</td>
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<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance</td>
<td>Michael Keenan MP</td>
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<tr>
<td>Shadow Minister for Ageing</td>
<td>Margaret May MP</td>
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<tr>
<td>Shadow Minister for Defence Science, Personnel; Assisting Shadow Minister for Defence</td>
<td>Hon. Bob Baldwin MP</td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs</td>
<td>Hon. Bronwyn Bishop MP</td>
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<td>Shadow Minister for Employment Participation and Apprenticeships and Training</td>
<td>Andrew Southcott MP</td>
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<td>Shadow Minister for Housing and Shadow Minister for Status of Women</td>
<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for Youth and Sport</td>
<td>Hon. 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>Senator Hon. Ian Macdonald</td>
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<td>Shadow Parliamentary Secretary for Health</td>
<td>Senator Hon. Richard Colbeck</td>
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<td>Shadow Parliamentary Secretary for Education</td>
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<td>Hon. Peter Lindsay MP</td>
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<td>Shadow Parliamentary Secretary for Infrastructure, Roads and Transport</td>
<td>Barry Haase MP</td>
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The SPEAKER (Mr Harry Jenkins) took the chair at 2.00 pm and read prayers.

MINISTERIAL ARRANGEMENTS

Mr RUDD (Griffith—Prime Minister) (2.00 pm)—Mr Speaker, I inform the House that the Minister for Veterans’ Affairs will be absent from question time today as he is attending the New South Wales RSL state conference in Rooty Hill. The Minister for Defence, Science and Personnel will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Budget

Dr NELSON (2.01 pm)—My question is to the Prime Minister. I refer the Prime Minister to his Adelaide declaration that he has done everything that he possibly can for Australian families, including those paying $1.60 a litre for petrol. Does the Prime Minister agree with his Treasurer’s declaration that Australian families are happy after the government’s budget?

Mr RUDD—I think what the Australian people want of their government, and would be happy to have from their government, is responsible economic management. I think what the Australian people would want and be happy about is a government prepared to look to the long term rather than the short term. I think what they would be happy about is a government prepared to deliver a $22 billion surplus as opposed to those prepared to conduct a $22 billion raid on that surplus. Australian people understand that you must put downward pressure on interest rates and, through that, put downward pressure on inflation. That means ensuring that you have a responsible course of economic action. It also means that you are serious about the undertakings you have given to working Australians, working families, those doing it tough, about the cost-of-living pressures that they face, including rents, mortgage rates, child care, petrol, as well as grocery costs. Put all of those things together and families are under pressure. That is why this government has been so determined to implement this pre-election commitment of an assistance package for families in the order of $55 billion—including tax cuts, including a childcare rebate, and including, on top of that, an education tax refund—as well as payments in excess by a country mile of those delivered by those opposite in their last budget to both pensioners and carers. These are the practical measures that not only assist with delivering a decent bottom line for the overall budget surplus but also provide a decent outcome for working families so that they can deal with some of the pressures they face. This does not represent a silver bullet for their overall economic challenges and challenges to each week’s budget; it does represent a helping hand on the way through. The reason we have commissioned the Henry commission of inquiry is to do just that: to look at long-term approaches to the reform of our taxes, to income support systems and, of course, to the retirement income system.

Economy

Mr SIDEBOTTOM (2.04 pm)—My question is also directed to the Prime Minister. Will the Prime Minister outline the government’s responsible approach to economic management?

Mr RUDD—The challenge of government is to make sure that you take the nation’s long-term economic interests first and foremost as the necessary underpinnings, not just for the stability of the overall economy but to deliver the best set of circumstances for families, for people who are doing it tough out there in the general community. That is why what we have determined is an
approach to budget management that has as its cornerstone a $22 billion surplus. That is the hallmark of economic responsibility. It also embraces within it a determination to ensure that those families—that is, working families, families under financial pressure, working Australians, those doing it tough—have the level of support from government that can assist them to deal with all of those cost-of-living pressures. On top of that is the determination for there to be a nation-building budget—unapologetically a nation-building budget—whereby we invest in this nation’s long-term needs, and, rather than turn our back on health and hospitals, to invest in them by establishing a $10 billion health and hospitals reform fund. On top of that we have an $11 billion fund for education investment both for our TAFEs and for our universities and, on top of that, a $20 billion fund, a Building Australia Fund, to do something about the overall state of this nation’s economic infrastructure, including those suffering from urban congestion. These are the hallmarks of responsible economic management: ensuring that you have a decent budget surplus, making sure that what you can do for working families is sustainable and honours your pre-election commitments to do so, and, on top of that, investing in the country’s long-term economic future.

I will tell you what the hallmark of economic irresponsibility is: to conduct a $22 billion raid on the surplus and then, on top of conducting that $22 billion raid, to turn around and say, ‘We don’t know where the money’s coming from;’ to turn around and say, ‘We haven’t actually costed our budget reply;’ to turn around and say, when asked where the $22 billion comes from, ‘We don’t really know; it might come from the surplus.’ Spokesperson after spokesperson has said, ‘Well, we are not actually sure where this $22 billion is going to come from.’ Let me tell you what $22 billion adds up to in terms of economic irresponsibility. It adds up to this: $22 billion worth of further pressure on overall inflation and therefore, as a consequence, $22 billion worth of further pressure on activity in the economy, which leads through to interest rates, which affect working families. We on this side of the House understand the ingredients of responsible economic management. Those opposite understand full well, it seems, the ingredients of irresponsible management. They cannot make up their mind on inflation, they cannot make up their mind on means-testing, they cannot make up their mind on whether or not there is an economic case for reducing government spending, and they cannot make up their mind on whether or not they are going to have a 5c excise reduction because they are split down the middle on that. Above all, they have absolutely no capacity to deliver on any of the above, and they had 12 years in office to do so.

**Fuel Prices**

Mrs HULL (2.08 pm)—My question is addressed to the Prime Minister. Prime Minister, how will a national Fuelwatch scheme reduce the price of petrol in Wagga Wagga, where today the price is $1.58 per litre? Will the Prime Minister guarantee that no motorist will pay one cent more for petrol under his Fuelwatch?

Mr RUDD—in response to the honourable member’s question, and for those in regional and rural Australia as well as in our cities, I draw her attention to the report delivered by the ACCC on the implementation of a response to the petrol price inquiry. What I find interesting about this document is that it was commissioned not by this government; it was actually commissioned by the previous government. In fact, the document was commissioned in June 2007 by the member for Higgins. So I turn to page 247 of this document, which says as follows:

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CHAMBER
The main finding from this econometric analysis is that the average of the price margin reduced by a statistically significant amount for Perth relative to the eastern capitals in the time since the introduction of FuelWatch. The relevant weekly average price margin was around 1.9 cpl less on average for the period from January 2001 to June 2007 than for the period from August 1998 to December 2000.

Further it goes on:

These results are robust to using monthly averages rather than weekly averages. This reduces further any influence of weekly price cycles. A decrease of around 1.9 cpl—

Dr Nelson—Mr Speaker, I raise a point of order. Prime Minister, will you guarantee that Fuelwatch will not increase—

The SPEAKER—The Leader of the Opposition will resume his seat. The Prime Minister is responding to the question.

Mr RUDD—So the government in framing its policy on Fuelwatch is entirely mindful of the conclusions of this report commissioned by the gentleman who now sits temporarily up the back and who is incrementally seeking to work his way down to the front. The government stands by this report and the conclusions which were reached in it, and it is on this basis that we formed a policy.

In terms of irresponsible guarantees, let me tell you where you find irresponsible guarantees. The Australian people are sick and tired of irresponsible guarantees by politicians, like the one which said ‘let us keep interest rates at record lows’. That is an irresponsible guarantee from central casting, a guarantee which you are incapable of delivering. Prior to the election our commitments on this were absolutely clear-cut, to increase competition policy arrangements for these price arrangements, and we intend to abide by them.

Dr Jensen—Mr Speaker, I raise a point of order which goes to relevance. The Prime Minister—

The SPEAKER—The member for Tangney will resume his seat. The Prime Minister has concluded his answer.

Budget

Ms REA (2.13 pm)—My question is to the Treasurer. What steps did the government take to ensure this year’s budget was more responsible than the budgets of the immediate past?
Mr SWAN—I thank the member for her question. The government has delivered a responsible budget carefully designed to fight inflation and to also invest in the future. It is a budget that brings spending back under control—

Mr Haase interjecting—

Mr SWAN—and that begins the vital task of building supply capacity. We have provided the funds for long-term investment in infrastructure, education, training, health and hospitals. We have built a very strong surplus and we are banking upward revenue surprises.

Mr Haase interjecting—

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

Mr SWAN—we have reined in spending growth, which was four per cent under the member for Higgins. And every single dollar in new spending in 2008-09 is one that comes from savings. There has not been a single saving from those opposite as they have gone about blowing a $22 billion hole in the surplus. Those opposite are simply spendaholics—a $22 billion hole in the surplus. They are spendaholics; they cannot help it. Old habits die hard: $40 billion spent by the member for Higgins at the last budget and not one dollar of savings. They are absolutely shameless, because that sort of spending has put upward pressure on inflation and, of course, upward pressure on interest rates. Not one dollar of savings was produced in the shadow Treasurer’s reply at the Press Club. There were no costed policies, no indication of what they would do to meet their commitments. As I watched the shadow Treasurer at the Press Club, I thought, ‘Who does this remind me of?’ as he was up there, all front and no substance. I said, ‘I’ve got it. It’s Andrew Peacock but without the suntan!’

Fuel Prices

Mr TRUSS (2.16 pm)—My question is to the Prime Minister. Is the Prime Minister aware of the Queensland government’s investigation into the Fuelwatch scheme headed by the now state Treasurer, Andrew Fraser? Why has the Prime Minister decided to introduce Fuelwatch across Australia after Queensland Premier Anna Bligh declared that ‘fuel prices would generally not be lower under the scheme’ and that ‘the scheme would be costly to establish and operate’ and ‘would have no tangible benefits to the community’?

Mr RUDD—I thank the honourable member for his question. There has been widespread community support for the government’s approach on this, starting with the leader of the New South Wales Liberal Party, Barry O’Farrell, who said that Fuelwatch would put motorists, not the oil companies, back in charge. That is before you go on to the New South Wales Liberal opposition fair trading spokeswoman, Catherine Cusack, who says that Labor has shown leadership on this question. The CEO of Choice magazine, Peter Kell, says that Choice would strongly support—

Mr Truss—Mr Speaker, I rise on a point of order. My point of order is in relation to relevance. This was a question—

The SPEAKER—Order! The leader of the National Party will resume his seat. The Prime Minister is responding to the question.

Mr RUDD—Choice magazine said that they would strongly support the introduction of a national scheme based on the WA Fuel-Watch model by the government. Then the NRMA president, Alan Evans, said—

Opposition members interjecting—

Mr RUDD—Of course all these folk are irrelevant to the general debate, I presume! The President of the NRMA says:
Our research shows that FuelWatch is of benefit to motorists and if introduced in the eastern states then they will get the benefits of the people in the West who have been receiving that benefit for some years.

Then you have David Moir, Executive Manager Advocacy, RACWA, who says:

Our recommendations to the commission—that is, the petrol price inquiry—are that the FuelWatch system is not only maintained in WA but a similar system is adopted in other states.

If you look at this range of comments it is quite clear that there is a huge array of support for the scheme across the country.

As I said in response to a question yesterday, there is obviously going to be conflicting information and advice on this. We understand that. We said that before, we said it again yesterday and I will say again today. That is because we are moving in an area where the Liberal state government of Western Australia decided to move in the year 2000 and then subsequent to that we have had recommendations from these bodies for this action to be taken nationally. We have always said that there is no silver bullet on petrol, but we have also said that, if you look at the evidence produced in this lengthy inquiry of several hundred pages, commissioned by the member for Higgins—he who seeks to return, we think, to the frontbench, depending on whether he beats the member for Mayo to the frontbench—if you look at page 247 of this report and its conclusions on the net impact on price, which is over the period survey of 2001-07 a net impact on price of 1.9 cents per litre less, then this provides a basis for a reasonable course of action. But, as we said on the day that we launched this policy, it does not represent a silver bullet. It does, however, help competition policy at the margins.

**Fuel Prices**

Ms JACKSON (2.19 pm)—My question is to the Assistant Treasurer. Will the minister outline to the House the benefits of the government’s proposed Fuelwatch scheme, and will the minister clarify any issues raised regarding the scheme?

Mr BOWEN—I thank the honourable member for Hasluck for her question. As a Western Australian member, she well understands the benefits of Fuelwatch, as did the Liberal Party in Western Australia when they introduced the scheme, and as does the Leader of the Opposition in New South Wales. Fuelwatch brings increased competition to the petrol market by requiring petrol stations to notify the ACCC of their next day’s price at 2 pm every day, forcing petrol stations to pick their cheapest, best price in order to ensure that they get turnover in an industry which relies so strongly on turnover. As I said yesterday, one of the great benefits of Fuelwatch is that it enables consumers to find the cheapest petrol. The difference between the cheapest and the most expensive petrol in any given city can be 10c, 20c or 30c a litre quite regularly. This enables motorists to find that cheap petrol where at the moment they have absolutely no chance of finding the cheap petrol as they drive around the city looking for it.

At the moment, of course, this is all a one-way street. At the moment petrol stations and oil companies share information. They share their pricing information and motorists and consumers are not allowed to see it. This is a very important point and it is a point that the ACCC made some very interesting findings on in their significant report. This is what they had to say in their petrol report, which was released last December:

The direct exchange of price information between suppliers is conducive to anti-competitive coordination...
They went on to say:
... the circulation of price data on a very frequent, or near real time basis, raises concerns that it could be promoting anti-competitive behaviour among the refiner-marketers and supermarket chains in the retail market.

So the ACCC said that we have a situation which is conducive to anticompetitive coordination. Any party which chooses to oppose Fuelwatch in this parliament is saying that they support a situation which allows anticompetitive coordination. They support a situation which means that motorists are locked out of the information which petrol stations share with each other. As the Prime Minister indicated, there is considerable evidence based on the findings of the ACCC that FuelWatch in Western Australia has put downward pressure on prices—by a modest amount, but downward pressure nevertheless.

Some members opposite, the Leader of the Opposition in particular, have questioned whether those benefits are available to people who buy only on Tuesdays, only on the cheaper days of the week. It is a fair enough question for analysis. The ACCC found that their analysis was robust every day of the week. Regardless of when people buy, they found downward pressure on prices—by a modest amount, but downward pressure nevertheless.

Mr Hockey interjecting—

Mr BOWEN—Is she a supporter of yours or not, Joe? She said, ‘My federal colleagues appear to be unaware of what is going on in the Sydney market. They’re having to buy petrol more than once a week.’ I hazard a guess it is in more places than Sydney that you need to buy petrol more than once a week. That is what Catherine Cusack said.

Mr Dutton—Mr Speaker, a point of order on relevance: this is about Fuelwatch and he has not mentioned—

The SPEAKER—The member for Dickson will resume his seat. The Assistant Treasurer is responding to the question.

Mr BOWEN—So we have the ACCC and the Liberal Party in New South Wales in complete agreement. All we need to close the circle is the agreement of honourable members opposite. Another matter raised by the putative leader of the opposition, the member for Wentworth, is the effect on independent retailers—a concern as to whether independent retailers are disadvantaged under Fuelwatch. Again, if you read the ACCC report and you read the submissions to the ACCC, you find that the proportion of independent retailers in the fuel market in Western Australia under FuelWatch has gone up—not down. So the concerns of honourable members opposite would be assuaged if they read the ACCC’s report or may be assuaged when they receive their briefing from the ACCC. The key question here is: why do the Leader of the Opposition, the shadow Treasurer and other members opposite appear to support an arrangement which is conducive to anticompetitive conduct and anticompetitive coordination?

I understand that there is scepticism from honourable members opposite. The Western Australian motoring organisation RACWA, which is well known to honourable members from Western Australia, has supported FuelWatch and it is the motoring organisation which has worked with FuelWatch for the last eight years. This is what Mr David Moir, Executive Director of RACWA, said:
We believe that consumer pressure is the best to keep the market competitive, but that relies on transparency and easily available price information.

Our recommendations to the commission are that the FuelWatch system is not only maintained in Western Australia, but adopting a similar system in other states...

It is time for the opposition to indicate whether they will stand with motorists against anticompetitive conduct or stand with those with vested interests.

Mr Billson—Mr Speaker, the Assistant Treasurer appeared to quote extensively from documents. Could I ask you to invite him to table his letter to Martin Ferguson, please.

The SPEAKER—Was the Assistant Treasurer quoting documents?

Mr Bowen—Mr Speaker, I was quoting from the ACCC report, which I table.

Fuel Prices

Mr Simpkins (2.27 pm)—As a Western Australian member, my question is to the Prime Minister. Is the Prime Minister aware of the case where a Perth service station owner was fined almost $5,000 for the crime of simply dropping his petrol prices in the course of a day? Can the Prime Minister confirm that his legislation establishing the failed FuelWatch scheme nationally will contain similar penalties as those in WA? Prime Minister, how is it in the best interests of motorists to prevent service stations from lowering their petrol prices?

Mr Rudd—This is someone from your own state. He said:

We believe that consumer pressure is the best to keep the market competitive, but that relies on transparency and easily available price information.

Mr Tuckey—Mr Speaker, on a point of order: the Prime Minister was asked, ‘Do you put small business out—

The SPEAKER—Order! The member for O’Connor will resume his seat; and he is warned.

Mr Hockey—Mr Speaker, on a point of order: the member for O’Connor was making a point of order—

The SPEAKER—The member for North Sydney will resume his seat. On his point of order, he knows that the honourable member for O’Connor was abusing the opportunities that are allowed for the raising of points of order. Any fair observer of what the member for O’Connor did would realise that that was not a proper point of order.

Mr Hockey—Just as the member for O’Connor was sat down, I was sat down before I had completed my point of order. I request that you as Speaker listen to our points of order before asking us to resume our seats.

The SPEAKER—Ignoring the reflection contained in this alleged point of order by the member for North Sydney, if you look at the standing order it says that a member will state his point of order. Earlier today, when members stated that—

Mr Costello interjecting—

The SPEAKER—I thank the member for Higgins for indicating that he is here and engaged, but if he has a comment he can rise and get the call. The point is that once—

Mr Downer—You are participating in the debate now.
The SPEAKER—I am interested in this discussion, but I am saying to members on my left, who seem a little agitated, that if they were to read (1) the standing orders and (2) *House of Representatives Practice*, they would know that the course of action that I am taking has been taken in the past. On the substantive point that raised the ire of the member for North Sydney, he knows that the member for O’Connor, in raising the point of order, was not doing so in an appropriate manner and I have warned him.

Mr Pyne—On a point of order: I do not wish to reflect on the chair at all, but standing order 86(a) says:

A Member may raise a point of order with the Speaker at any time. After the question of order has been stated to the Speaker by the Member rising ...

Clearly, the member for North Sydney just stood and said, ‘I have a point of order,’ and you sat him down. I think it is fair to say that you need to hear the point of order stated before you can sit a member down.

The SPEAKER—The member for Sturt will resume his seat. The Prime Minister has the call.

Mr Rudd—If the honourable member from Western Australia would reflect on what the head of his own state motoring organisation has said on FuelWatch, it would be a very useful advance to the debate. The reason, I presume, that people support FuelWatch is based not just on the positions plucked out of space by those opposite but on the findings based on detailed econometric analysis by the ACCC. Of course, each one of those opposite knows better than this econometric analysis. Despite the fact that those opposite commissioned this volume, despite the fact that taxpayers’ dollars were spent in putting this volume together, despite the fact that Graeme Samuel, the appointee of those opposite, ultimately produced a finding which contains the conclusions I have just referred to about the price being 2c a litre down, on average—despite all of that—those opposite, as some practice, process or expression of ideology, say it is of no relevance whatsoever.

The honourable member raised a question about the cost impost on business. The honourable member may not be aware that currently a large number of petrol stations are now submitting their prices to a data collection company. This can be as frequently as every 15 minutes. In exchange for a fee, petrol companies have access to their competitors’ prices. As the Assistant Treasurer said before, apart from anything else this places those in the petrol industry, including the retailers, in a position of competitive advantage over motorists, because motorists do not have access to that amount of information. So what we have from the party of free enterprise opposite is an argument which says that those in the petrol industry—the petrol majors and retailers—should control all the price sensitive information and that consumers out here should not have access to that information. That constitutes the essence of the proposition which underpins Fuelwatch. Under FuelWatch, petrol stations need only submit one price every day to the ACCC and not be charged for it. There is a plain contrast between the two. The contrast here between our position and that of those opposite is pretty stark. We are simply saying, ‘Here is a—

Dr Nelson—Mr Speaker, I rise on a point of order on relevance. Prime Minister, the question was: under your plan will petrol stations be fined for cutting the price of petrol?

The SPEAKER—Order! The honourable member will resume his seat.

Mr Rudd—The contrast between the two positions here in this parliament is pretty
clear. On the one hand, we say that consumers should have some power; they on that side of the chamber say the consumer should have no power. We on this side of the chamber say that, if this succeeds in bringing down the price by 2c a litre on average over time to the consumer, it is worth backing; they say on that side of the chamber it is not worth backing. We say on this side of the chamber that, if you have got price variations within one market of between 15c and 20c per day, which has pertained in recent days in various parts of metropolitan Australia, the consumer should have the opportunity to make a choice about where they go to buy their fuel; those opposite say the consumer should have no such choice and no such information upon which to base that choice. We stand for transparency; those opposite stand for nontransparency. We stand for choice; they stand for nonchoice. I say this to those opposite: when the question has been posed—including to the leadership aspirant of the Liberal Party, the member for Wentworth—about which way the Liberal Party will vote on this in the parliament, the response on the part of the opposition is, ‘We don’t know.’ They are so committed to this proposition which they are debating in the parliament, the response on the part of the opposition is, ‘We don’t know.’ They are so committed to this proposition which they are debating in the parliament that they have not even formed a position about whether they are going to support the legislation—yes or no. The position we have put is clear cut: 2c; 15c to 20c variation; transparency; consumer choice. They stand for not giving the consumers that choice. Those opposite need to resolve once and for all whether they are going to support this legislation or not.

Budget

Mrs D’ATH (2.36 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the targeted, responsible measures the government delivered in the budget which are specifically designed to help families meet the rising costs of living?

Mr SWAN—I thank the member for her question, because this is a government that delivers for working families and those doing it tough. We put down a budget that tips the scales in favour of working families and those doing it tough, and those opposite neglected them for a decade. As a result of this budget, low- and middle-income earners will have more money in their pockets.

Let’s take the tax cuts. For the first time in a long time, low- and middle-income earners will benefit most from the personal income tax cuts, unlike what occurred over previous years under the member for Higgins. Let’s take the example of a couple earning $70,000 a year. A couple earning $70,000 a year will have a combined extra $40 in their pay cheque each week from 1 July. That will help with the rising costs of living.

Let’s move on to child care. There is an increase in the reimbursement of out-of-pocket childcare costs to 50 per cent. Those opposite paid it in arrears at 30 per cent. They were not concerned about the cost of living while they were doing that. In fact what they were doing was attacking the living standards of those on low and middle incomes. Do we remember what they were doing with Work Choices or what they did to working families, with interest rate rise after interest rate rise after interest rate rise? They have gone very quiet now because the Australian people remember their record.

We are delivering assistance to working families and those doing it tough because of the rising cost of living and we are proud to have been able to do that—absolutely proud. All that those on the other side of the House could do was lecture working families about how they had never been better off. We do understand the impact of the cost of living on families, which is why we have moved decisively in this budget to tip the scales towards working families and those doing it tough.
Fuel Prices

Mr Turnbull—My question is directed to the Prime Minister. I refer to the comments from the New South Wales Treasurer, Michael Costa, that the states would demand compensation for the hundreds of millions of dollars in lost revenue if the Prime Minister removes the GST on the excise component in the price of fuel. Is Mr Costa right or wrong? Would the states be compensated? Whatever happened to the Prime Minister’s grandiose claim that he would fix our federation and end the blame game?

Mr Rudd—I welcome the question from the member for Wentworth because it goes to: how do we make the federation work? How do we make the federation work in those areas which mean something to working Australians and working families right across our nation? What it goes to is what sort of education system we are going to have—one where we simply buck-pass one to the other? It has gone on for too long. What sort of health system are we going to have—one where we just buck-pass to one another? What sort of climate change arrangements are we going to have? We have conflicting state and federal emissions trading regimes or renewable energy schemes. We say that what we want to have is a regime in which we have a cooperative federal arrangement with the states which has one objective: delivering a decent outcome for people who consume government services.

I think those opposite have not quite caught up with the 21st century. People are sick and tired and have had a gutful of politicians pointing the finger at each other between federal, state and local governments saying, ‘not my responsibility’, ‘not my responsibility’. That is why we have said through COAG that we intend over the course of 2008 to have a work program which deals with education, which deals with health, which deals with climate change and each one of these matters.

Mr Hockey—Mr Speaker, I raise a point of order. The Prime Minister was asked a specific question about comments by the Treasurer in New South Wales about hundreds of millions of dollars and the GST on petrol. It had nothing to do with education, health and everything else.

Mr McMullan—if you don’t know how to write a question, it’s not our fault, Joe.

The Speaker—The parliamentary secretary is not being entirely helpful. The member for North Sydney might read Practice. The question may not have been as specific as he thinks, and even if it was specific it does not dictate the way in which it is responded to.

Honourable members interjecting—

The Speaker—Those up the back who have had experience in answering questions and who think they can always interject when the Speaker is making a comment would also be well suited to read Practice this late in their careers. The question went on, after perhaps being specific, to talking about fixing the federal system and stopping the blame game. Prime Minister.

Mr Rudd—When it comes to the business community the clear-cut cry of business across this nation is, ‘Let’s move to a point where we have a genuinely seamless national economy.’ Let’s move to a point where our businesses are not confronted with one set of state regulations after another which conflict right down the scale to the smallest things and up to the largest things, making it very difficult and very costly for a small to medium sized business that wants to operate across state boundaries. That is why, again through COAG, in the spirit of cooperative federalism, what we are trying to do is to
bring about a practical program, through the minister for small business and his state counterparts, on how you make it better for business nationwide.

Right now we have 27 items of legislation before us which have conflicting state and federal arrangements which we are working our way through methodically. So, whether it is those consuming TAFE services, those consuming early childhood services, those consuming health and hospital services, the business community having to deal with their regulatory environment or those who are trying to deal with these conflicting state arrangements on emissions trading and renewable energy, it is time to fix the federation.

I would appeal to the constructive spirit of those opposite to say: what is a positive way forward to deal with these things? I remind them again that they had 12 long years in office to act in these areas. Instead, they did not prefer to come up with practical, positive solutions. Their approach was this: the best thing to do is simply blame the states because it makes for a good political outcome.

On the question of tax, the Henry commission quite legitimately examines the entire raft of taxation, and that was contained and made explicit in the Treasurer’s statement on budget day itself. Of course, the taxation arrangements as they impact on the states will be considered in that context as well. You can do this on a comprehensive, long-term basis. And remember the call of business? They have not had a decent, all-round review of the tax system for a quarter of a century. You were in office for 12 years. What we now have is a proposal to do precisely that. Six months into our government we have a program of action on this. For 12 years those opposite sat there, dithered, did nothing—including the smiling member for Higgins, who cannot make up his mind whether he wants to be here or here or elsewhere. They had 12 years to fix these matters, even to put their shoulder to the wheel. They neglected to do so because instead they saw the politics of the blame game as better suiting their political project. We have a different approach.

**Skills Shortage**

**Mr Gibbons** (2.45 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. Will the Deputy Prime Minister update the House on the skills shortage and what the government is doing to address it?

**Ms Gillard**—I thank the member for Bendigo for his question, and I know he is deeply concerned about education and training in his electorate. The recent budget delivered $19.3 billion for education, skills and training—$11 billion of it in the form of our new Education Investment Fund. Some $1.9 billion was delivered directly for skills, and vocational education and training providers will have access to the $11 billion Education Investment Fund. We needed to make investments of this mammoth nature because by world standards the education system of this country is falling behind, and we face a skills crisis. The legacy of the former government to the nation in education and training has been a system falling behind the standards of the world and a skills crisis. In the Leader and Deputy Leader of the Opposition they have the people who were personally in charge of these matters for half of the period of the Howard government, so they are uniquely, personally responsible for Australia falling behind the rest of the world and facing a skills shortage. The fact that we face a skills shortage was verified by the member for Goldstein, who in the same statement verified that this was basically from neglect. Last year, the member for Goldstein told an
industry group, and this is a very revealing quote:

... we've got a problem with skill shortage. ... I mean we knew it was coming but it has arrived with a force. ... And you know, it's only going to get worse.

*Mr Robb interjecting—*

The SPEAKER—Order! I warn the member for Goldstein!

Ms GILLARD—He was a government minister who thought he was a spectator on a problem, rather than having any responsibility for the delivery of a solution.

*Mr Robb interjecting—*

Ms GILLARD—Where members opposite failed, the Rudd Labor government is delivering on skills and education. We are delivering on skills and education because we know this is a capacity constraint on the economy that is putting upwards pressure on inflation and interest rates. If members opposite doubt the veracity of this advice then they may choose to consult the current chief of staff of the Leader of the Opposition, who said when he was the head of the Australian Chamber of Commerce and Industry in 2004, ‘A recent survey of investor confidence in Australia revealed the No. 1 threat to future investment was the availability of suitably qualified staff.’

Mr Hendy had it right back then in 2004. It was a criticism of the former government, who did not do enough in this area to prevent a skills crisis. We are certainly working on this area. In particular, we delivered in April this year 20,000 new training places, the first of 630,000 training places to be delivered by this government. I am pleased to report that, with these 20,000 training places being delivered, the first 500 graduates will be finished their training and be ready to start work in June. Encouragingly, there has been uptake in skill shortage areas targeted by the program, including aged care and child care.

*Opposition members interjecting—*

Ms GILLARD—I have just had mining raised and I will give you the answer in a second; I do not think it is going to be the answer you are expecting. There are currently more than 3,500 people enrolled in these training places, with more than 200 signing up each day. We have already 400 registered training organisations delivering more than 550 qualifications in 980 sites around Australia, including 145 people undertaking qualifications of importance to the mining and construction industries. These are the most recent up-to-date figures about the delivery of these 20,000 training places, the first of 630,000 training places to come.

This record of achievement and delivery in the first six months of this government stands in stark contrast to what came before. Of course you cannot fix the skills crisis overnight. We have never suggested that you could, but we have hit the ground running with these 20,000 training places out there, with Australians now getting the benefit of that training in areas that matter to skill shortages and capacity constraints. This is simple economics. If skills are short and if businesses cannot fill jobs, that leads to an economic constraint on growth. We are all about lifting that economic constraint. We are all about dealing with the inflation and interest rate challenges. In contrast, members on the other side do not even know whether they believe inflation exists. On the day that they do concede inflation exists, they have got no idea how to deal with it. Their only economic strategy is a $22 billion smash-and-grab raid on the surplus, which would put upwards pressure on inflation and interest rates. This is a party that is now joined together by three things. Helpfully, the member for North Sydney told us yesterday they are united around hatred for the Labor Party—nothing about working Australians or looking after them, but hatred of the Labor...
Party—they are united around Work Choices and, as we now know post budget, they are united around economic irresponsibility.

Dr Southcott—Mr Speaker, the minister was quoting information from a document which is not publicly available. I ask for that document to be tabled.

The SPEAKER—Order! Was the Deputy Prime Minister quoting a document?

Ms GILLARD—Yes, Mr Speaker.

The SPEAKER—Was the document confidential?

Ms GILLARD—Yes, it is.

Fuel Prices

Mrs MARKUS (2.52 pm)—My question is to the Prime Minister. I refer the Prime Minister to petrol prices today in Western Sydney, where residents are paying over $1.53 a litre for petrol. Why did the Prime Minister say after only six months that he has done all he can for our community? Why is the Prime Minister ignoring his own energy minister, who said Fuelwatch is anti-competitive, will hurt small business and will leave Australians with higher petrol prices?

Mr RUDD—I thank the honourable member for her question. On the question of policy debate within the government, as I said yesterday, there are always going to be conflicting views. I would have thought that a healthy policy debate in the cabinet—

Mr Downer interjecting—

Mr RUDD—the member for Mayo comes in on cue—would have been had in their cabinet prior to their decision to invade Iraq. I think actually having an exchange of views and having a debate where you have a complete embrace of different points of view is the way to go. We are actually pretty relaxed about having a debate which has different points of view. We do not seek to suppress different points of view. We encourage debate; we actually like debate. We are not in the business of suppressing debate as those opposite did on the question of—

Mrs Mirabella interjecting—

The SPEAKER—Order! I call the member for Indi to order.

Mr RUDD—the Iraq war—

Mrs Mirabella interjecting—

The SPEAKER—Order! I warn the member for Indi.

Mr RUDD—and on the question of climate change and on the question of all those matters which went through the cabinet of the dearly departed Howard government—all those matters where there was not a free and frank debate and where there was one predetermined outcome and one predetermined outcome alone. And off they went to war without thinking about it. Off they went for a decade of inertia on climate change without thinking about it. Off they went in multiple directions without thinking about it.

To return to the honourable members question about Sydney, again I would draw her attention to the findings in the document I am holding. This document was commissioned by the member for Higgins back in June last year when he was Treasurer of the Commonwealth. Presumably those opposite, including the honourable member, were becoming concerned about petrol prices back then so they decided at five minutes to midnight that they had better do something about it. So they commissioned Graham Samuel and the ACCC to investigate the price of petrol in Australia and what could be done about it. Then they produced some analysis—and I draw this to the attention in particular of the honourable member who has asked the question—which goes to the difference between the price in Perth and in all the other metropolitan centres on the east coast, and that would include Sydney as well. As a consequence, they reached a con-
clusion that there be a two per cent differential over time. That is their analysis and that is why we proceeded on that basis.

Furthermore, when this was presented as a way ahead—that is, a way in which to intelligently respond to the whole challenge of how we price petrol in the future—what did the member for Higgins say at the time? He said:

... the ACCC is an independent market regulator which has more expertise in the area of access and pricing than any other federal government instrumentality or agency and that is why it is very important that it is engaged in all of these pricing issues.

That is what is important here: evidence based policy.

Zimbabwe

Ms GRIERSON (2.55 pm)—My question is to the Minister for Foreign Affairs. Will the minister please update the House on developments in Zimbabwe?

Mr STEPHEN SMITH—I thank the member for her question. Members would of course be aware that on 29 March both parliamentary and presidential elections were conducted in Zimbabwe. Regrettably, the presidential results were not finally published until 2 May and now a scheduled second-round run-off is listed for 27 June, some three months after the original parliamentary and presidential elections on 29 March. That is three months where we have seen the brutal Mugabe regime firstly seeking to rort an election through counting means and now seeking to perpetrate intimidation and violence during the second-round election on 27 June. Australia remains very concerned that we will not see anything near a full, free and fair election in Zimbabwe. Members would of course be aware that under the Zimbabwe constitution and electoral laws this second-round run-off ought to have been held within three weeks of the first round, not three months subsequent to it.

The Australian government has been very active both in the international community and in Africa in making these points strongly to Zimbabwe’s neighbours, particularly members of the African Union and the Southern African Development Community states. I have spoken variously to my counterparts from South Africa, Zambia and Tanzania and to the Vice-President of Botswana. I have of course also been in regular contact with the Foreign Secretary of the United Kingdom, which, like Australia, shares an interest in Zimbabwe as a member of the Commonwealth.

The Australian government of course welcomes very much the recent announcement by SADC, the Southern African Development Community, that it will substantially increase the number of election observers for the forthcoming 27 June presidential run-off. As I have indicated publicly on any number of occasions, Australia stands ready, willing and able to also supply election observers if we are so asked. Frankly, I do not think that request will come, because the brutal Mugabe regime has made it clear that it is not proposing to seek any assistance from those nation states that have been critical of the process.

Hopefully the return of the opposition leader, Mr Tsvangirai, for the next six weeks for the purposes of the election campaign will be a new stage in this electoral process. We hope very much that Zimbabwe’s neighbouring states will bring as much pressure to bear as they can on the regime to lead us somewhere towards the chance for a free and fair election in Zimbabwe.

I have indicated to the House that Australia’s offer of election observers is there. Members would of course be aware that Australia, under governments of both political
persuasions, has always made the point that we make a contribution so far as humanitarian assistance is concerned to the people of Zimbabwe, whether it is food or other humanitarian assistance, and this of course is ongoing. Our attitude to that is not in any way deterred by the actions or the attitude of the brutal Mugabe regime. The Australian government remains very concerned. We hope there is some prospect of improvement so far as the Zimbabwe situation is concerned, and we stand ready, willing and able to render assistance if so asked by Zimbabwe, the African Union or the Southern African Development Community states.

**Fuel Prices**

Mr BROADBENT (3.00 pm)—My question is to the Prime Minister. I refer the Prime Minister to petrol prices in Sale, where residents are paying over $1.50 for petrol, and in Wonthaggi, where they are paying nearly $1.60—159.9c. Why did the Prime Minister say, after only six months, that he has done all he can for the people of Sale and Wonthaggi, and why is the Prime Minister ignoring his own energy minister, who said that Fuelwatch is anticompetitive, will hurt small business and will leave Australians with higher petrol prices?

Mr RUDD—I thank the honourable member for his question. People in regional Australia, such as in the area of Sale and Wonthaggi, which the honourable member has just referred to, like those across the country, are doing it tough with petrol prices and the general cost of living.

Opposition members interjecting—

Mr RUDD—The interjection was, ‘Why didn’t you do something?’ Petrol prices since 2001, when those opposite made an adjustment to the excise, have gone up by about 50 per cent. We have been in office for five or six months. They were in office for 12 years. From 2001 to 2007 strikes me as being about six years. What did those opposite do in those six years on petrol prices? What did they do on excise? What did they do on GST? What did they do on competition policy? What did they do with a petrol price commissioner? What did they do on any of these matters to empower consumers? Answer: zero, zero, zero and zero. So after 12 years in office and six years since the adjustment in 2001 there has been not a single piece of action. This is so very consistent with what those opposite say about any matter of public debate in this parliament. They say that in six months this government is responsible for attending to all the matters which they left unattended for a decade-plus. I find it remarkable.

Turning to rural and regional Australia, the impact of petrol prices there is significant because people travel longer distances. That is why it is very important that the government does everything it can to ensure that—through our family support package delivered through the budget, our payments of $900 in excess of those delivered in the previous Howard government to seniors, our $500 delivered in excess of other payments and, on top of that, $2,100 delivered in excess of payments to those in receipt of carer’s allowance and carers payments—we use measures that are designed to assist families and to assist individuals under financial pressure. Of course, when you look at the added pressure which comes with petrol prices and add that to grocery prices and the others, it is very tough to make the budget balance. But our response as a responsible government is to make sure that we are delivering through the tax system, delivering through child care, delivering through the education tax refund and delivering through enhanced payments to pensioners and carers—and ensuring that we have done all these things in a responsible economic manner.
On top of that, looking to the long term, we have undertaken, for the first time in a quarter of a century plus, a comprehensive commission of inquiry into the tax income support and retirement income system. That is the responsible way to go. The irresponsible way to go is to say, ‘I’ve got a budget reply coming up; I’ll reach up on to the shelf, pluck something down, call it a 5c excise arrangement,’ then say the next day that you have not costed it, and then add to it the fact that you have the member for Flinders, the member for Higgins, the member for Mayo and the member for wherever else opposed to this particular measure. That is not an alternative policy; that is a piece of short-term retail politics to get you over the hump of the budget reply. We have a responsible course of action on this and we are determined to implement it.

**FIFA Congress**

Mr CHEESEMAN (3.03 pm)—My question is to the Minister for Sport and Minister for Youth. Will the minister update the House on the FIFA Congress being held in Sydney this week and the government’s support for world football in Australia?

Ms KATE ELLIS—I thank the member for his question. From the outset I take this opportunity, through the parliament, to welcome to Australia the some 650 delegates who have commenced their arrival in Australia for the FIFA Congress. I would also like to note and welcome the almost 2,000 observers and media representatives who will join them. This FIFA world congress is a prestigious and very important gathering which has never before been hosted by Australia and is being held at the Sydney Opera House. It is, in fact, international football’s biggest off-field event and a significant opportunity for us to showcase Australia. Last night I had the opportunity to meet with the President of FIFA, Sepp Blatter, and the FIFA executive committee. I informed President Blatter that the Rudd government is committed to the growth of world football in Australia and I outlined—

Opposition members interjecting—

The SPEAKER—Order! I warn the member for Bowman.

Ms KATE ELLIS—how the federal government recently honoured our election commitment and invested some $32 million into the sport, which was double the amount that had been pledged by the previous government.

Mr Anthony Smith—Who won the FA Cup?

Ms KATE ELLIS—Our government recognises that world football—soccer to some—has experienced enormous growth rates in participation.

Mr Anthony Smith interjecting—

The SPEAKER—The member for Casey is warned!

Ms KATE ELLIS—We want to support and further enhance the amazing transformation of the sport in Australia. As a government with a very deep commitment to preventative health, and as a government that is adamant about the need for us to address obesity rates, we note that there has been a 22 per cent increase in registered players in the sport in just the last five years. We also particularly note the rates of young girls who are playing football. The $32 million which we invested in the budget will be spent on a number of projects that will assist Australia’s soccer players, all the way from the grassroots level to the Socceroos. We want to help along the way the new Harry Kewells and Scott McDonalds of the future.

Of course, our government has also indicated our willingness to work with the FFA to back Australia’s bid for the 2018 World Cup. We are also backing the FFA’s attempts
to bring the 2009 and 2010 Club World Championships to Australia, and the 2015 Asian Cup. I will attend a number of FIFA and FFA functions this week, and I am pleased also to note that the PM will be addressing the world congress. I note the comments of those opposite and I hope that I can speak on behalf of the whole parliament in saying that we wish our FIFA guests an enjoyable stay this week. We trust that they will be impressed by our capabilities to host large-scale events and we hope that we can continue to host them in a number of capacities into the future.

Fuel Prices

Dr Nelson (3.06 pm)—My question is to the Prime Minister. Now that it is clear that the Prime Minister’s GST petrol review has been discredited by the states, his own minister believes Fuelwatch is anticompetitive and the Prime Minister has admitted that he has done all that he can, will the Prime Minister now stop watching fuel prices and support our policy to cut the petrol excise by 5c per litre?

Mr Rudd—Responsible economic management means that you do something about ensuring that you have got a reasonable surplus, and those opposite have not had one thing to say about where they are going to find $22 billion worth of savings. Where are they? Where are the savings?

Opposition members interjecting—

Mr Rudd—I do not hear anything. On the doorstep what they say is, ‘Let’s raid the surplus.’ That is a sure-fire recipe for doing one thing: putting upward pressure on inflation and upward pressure on interest rates—and that flows through to all families and all people with mortgages and businesses across the country. On the question of dealing with the tax matters raised by the Leader of the Opposition, as I said, there is one way of handling the reform of tax and that is to do something which has not been done in more than a quarter of a century, and that is a comprehensive review which deals with the tax system and income support as well as retirement income.

On the question of the competitive dimensions of what is proposed, if the Leader of the Opposition were serious about analysing the responses of those who head the motoring organisations of Australia—the NRMA as well as the RAC in WA and others—what you have is a clear-cut statement that you have either a set of arrangements that puts the power in the hands of consumers or a set of arrangements which puts the powers in the hands of the petrol industry. We stand for empowering the individual motorist, the individual consumer; those opposite stand for the reverse.

On the question of budget measures, they have been put in a responsible economic framework and, as we have said consistently, we will continue to examine further measures to assist working Australians and working families under financial pressure. That is the right thing to do. It is the responsible thing to do. You do it with an economic framework. You do not pull out a budget reply one night and say on radio 12 hours later that you did not bother to cost it. That is the recipe for economic responsibility, and those opposite have shredded what remains of their credibility.

Prime Minister

Censure Motion

Dr Nelson (Bradfield—Leader of the Opposition) (3.09 pm)—by leave—I move:

That this House censures the Prime Minister for letting down Australians struggling to make ends meet with the high cost of petrol, in particular for:

(1) supporting a Treasurer who is so obviously out of touch that he declared yesterday ‘Australians are happy with the Budget’ when the
pain of rising fuel costs is being felt across the community;

(2) the Prime Minister’s admission that he has “done as much as we physically can to provide additional help to the family budget” when he refused to address the immediate pressure of fuel costs to the household and business budget;

(3) the truth, now exposed by one of the Government’s most senior cabinet ministers, that FuelWatch is ‘FoolWatch’ and will kill off competition in the retail fuel sector, will send small business to the wall and will actually increase the cost of fuel;

(4) mishandling the treatment of fuel and GST matters in the Government’s tax review that exposes its lack of economic experience; but most of all,

(5) letting down Australians by quitting after less than six months in the job, when what people need most is a Prime Minister who doesn’t give up when the going gets tough and delivers on his promise to bring down the cost of petrol.

Last year, when Leader of the Opposition, the now Prime Minister said a lot of things to Australians and Australians heard a lot. He said that he would deal with interest rate pressures. He said that he would deal with grocery prices. He said that he would deal with the pressure of petrol prices increasing. Australians heard a lot last year. In the six months since there was a change of government in November last year, in the six months since this Prime Minister has been in office, interest rates have increased twice from the Reserve Bank, the banks have increased interest rates again by another 40 to 50 basis points, in many parts of this country house prices have fallen, business and consumer confidence has been shattered and reached record lows, new building approvals have flattened, retail sales have softened and petrol today is on average more than 17c per litre more than it was at the time of the election and in rural Australia is more than 18c per litre more than it was in November last year.

The Prime Minister has misled the Australian people. He has falsely led Australians to believe, as he ran around Australia as a cross between Crusader Rabbit and some South Park character trying to convince Australians that he would be able to deal with petrol prices, that he would relieve the pressure on Australian families, that he would be able to do something about interest rates to allow Australians to keep their homes, that he would be able to do something about putting groceries in their shopping trolleys and that he would be able to do something about petrol prices and the pressure on not only Australian families but pensioners and carers and retirees and men and women who do not have a family and are not raising children— they are important too, Prime Minister. He led those people to believe that he would be able to deal with those issues. He led them to believe that, if they changed the government and put him into office, into the Lodge with all the trappings that he has become so accustomed to so quickly, in some way their cost-of-living pressures would be eased.

Then last week in Adelaide we had the Adelaide declaration. In a rare moment of honesty, the Prime Minister said, ‘We have done all we physically can do to help and provide additional support to the family budget.’ In other words, what he has done is drawn a line under Australians and those Australian working families and pensioners and retirees and small business men and women and people in rural and regional Australia and he has said, ‘There is nothing more I can do.’ He has put up the white flag. I say, Prime Minister, that if you cannot do any more for Australians, if you cannot do any more for families that are struggling and buckling under petrol prices, then get out of the way and give the job to somebody who can.
We then have the Treasurer of the country, that nervous man who is trying to fill the huge shoes of the straight-A student, the member for Higgins. You get the impression he is in the backroom trying to read up on it—*Economics for Dummies* and those sorts of books. He was at the dispatch box yesterday and he said, ‘Mr Speaker, Australians are happy after the budget.’ Well, I have got news for the Treasurer; I have got news for the Prime Minister: Australians are not happy. In fact, they are very unhappy and they are becoming increasingly angry about the arrogance and attitude of a Prime Minister who, after only six months, is out of touch and out of ideas. And what we have had in the six months since he became Prime Minister of Australia is a lot of bread and circuses. We have had a lot of symbolism, some of it supported by many Australians and some of it supported by us. But when it came to the real test of making decisions, of putting together a budget for Australians, the only ray of sunshine in the budget for working Australians, including families, were the tax cuts that came from the member for Higgins—the only thing that actually helped Australians.

Having delivered the last of Peter Costello’s tax cuts, the Prime Minister then says to Australian families, ‘We’ve done everything we physically can to provide additional help to Australians’—in other words: ‘Get out of my way. I want to get into my long white car and I want to have these people look after me, because as the Prime Minister there is nothing more I can do.’ I say there is a lot more that can be done.

If we look at petrol, what we had from the government was the announcement of this so-called Fuelwatch. I say to the Prime Minister: how does watching the price of petrol bring it down? This Fuelwatch system, we have been told by a number of motoring organisations, amongst others, is not actually going to bring down the price of fuel. I might add that the RACV’s motto is in fact ‘We’re there for you’. So, if you are a Victorian and you want someone who is there for you, forget the Prime Minister. He has already said: ‘No, I’ve done as much as I can. You Australians move on; get out of my way.’ In contrast, the RACV, which looks after the interests of motorists in the state of Victoria, in a letter to me from its president on 22 May, said in part: ‘We believe Melbourne motorists would be denied access to weekly discounted fuel as a result of Fuelwatch.’ It goes on: ‘Fuelwatch may put the future of independent operators in jeopardy if they’re unable to move their prices for 24 hours in order to compete with major retailers. These statistics clearly show that motorists take advantage of cheaper days of the week, especially the day when the cheapest price usually applies, which is on a Tuesday.’ Of course, the Prime Minister may not have a high regard for the RACV. We do. We on this side have a very high regard for the RACV.

So, if the Prime Minister is not going to listen to Australians—and I will get to that in a minute—and he is not going to listen to the RACV, who might he listen to? Would he listen to a former ACTU president? I reckon he might. Would he listen to a senior cabinet minister? I reckon he might. But today, in the *Australian* newspaper, we read that the Minister for Resources and Energy wrote to his own government and said that with the introduction of Fuelwatch:

The biggest losers ... would again be working families in places like western Sydney ...

The resources minister in the Prime Minister’s own government wrote to him and said that the Fuelwatch scheme would be:

… an anti-competitive waste of money and predicted it would leave battlers out of pocket, despite government claims it would lead to lower fuel prices.
In other words, it is a stunt. When he is trying to get into the Lodge, when he is trying to get those trappings—that big house, the white car and everything else—he goes around the country and says to Australians, ‘You put me in there and I’ll fix your petrol prices.’ But when petrol prices start going up, as they have significantly since the change of government, he comes up with Fuelwatch. He says, ‘We’re going to have Fuelwatch.’

I point out to the Prime Minister that today is Tuesday. For those of us who live in the real world, tonight, Tuesday night, in every part of the country except Western Australia there will be queues of motorists up to half a kilometre long outside petrol stations—and you know why they are there, Mr Speaker? They will be there in their 20-year-old Mitsubishis, they will be there in their 10-year-old Commodores with three kids in the back seat and they will be there in their Taragos, with a wheelchair in the back, and five kids because tonight is the night in the cycle when you get the cheapest fuel. I say to the Prime Minister: get out of your car and go down there and ask those families whether they reckon a 5c cut in the excise on petrol might make a difference. I say to the Prime Minister: these are men and women who are making decisions about whether they are going to buy processed sausages or chops, whether they can afford to put $40, $50 or $60 worth of petrol in their car. The last thing they need is a Prime Minister who says, ‘There’s nothing more I can do for you.’

There is something that he can do for them. The first thing he can do is to stop this fraud, Fuelwatch. He can listen to the Minister for Resources and Energy and he can listen to the Minister for Small Business, Independent Contractors and the Service Economy and the Minister for Finance and De-regulation—who happen to be talking to each other about this at the moment—because we know from the media that they think that the Prime Minister has got it wrong and, to quote the resources minister, that the people who will suffer most from what he is proposing to do are those battlers.

These are men and women in their cars—with their kids, who have houses sometimes worth less than they paid for them and who have a mortgage and interest rates increasing under you, Prime Minister, with 134,000 of them budgeted under you to lose their jobs by the end of this year—who are making decisions about whether to buy food or buy more petrol, and the Prime Minister is perpetrating on them a fraud which not only is anticompetitive but actually means that they will pay more. The one question, amongst the many that he would not answer today, was a simple one. It was: ‘Prime Minister, will you guarantee that no Australian will pay one cent more in petrol as a result of the introduction of Fuelwatch?’ He would not answer the question, and he will not answer the question, because the answer is that they will.

The people—like those who populate the front bench of the government—who do not care too much what the price of petrol is when they pull in will pay a few cents a litre less on the cycle on average. But the people who are queued up there tonight will pay more, and they will pay more from budgets that can least afford to pay more. That is what the Prime Minister knows, and that is what he is not prepared to admit. Prime Minister, in that ACCC report you are so fond of quoting just have a look at the comparison between Perth and Adelaide. You will notice, if you look at it, that there is almost twice as much fuel sold on a Tuesday as on a Thursday in Adelaide, because Australians are watching the price of petrol. But in Perth it is pretty much the same every day, and the petrol is dearer. Petrol is, on average at the mo-
ment in Perth, $1.54 a litre. It is more than in every other capital city in the country.

So what we have is a stunt. We have a stunt which is intended to distract people. Then, when that is exposed, the next thing we get is that he is a quitter. He has given up on Australian families. He says that he has done everything he physically can after six months. This must be the first government that has ended its honeymoon with its own budget and with an admission from the Prime Minister that he cannot do anymore.

The other thing that is very important is that, if the Prime Minister really wants to do something about petrol, there is 38c a litre of excise on petrol. There is just under 14c a litre in GST. Then what do we have? We have the stunt, we have the white flag and then we have the media spin. I suspect, by the way, that tomorrow we will have a story about the campaign against obesity or something on breastfeeding—all worthy causes. What does his media department do? His media department says, ‘I know: let’s have a look at the GST on the excise.’ So what we now have is a plan to have a review which might take almost 4c a litre off petrol when the review reports in 18 months, and we have already had the state governments saying, ‘Well, we can’t have this.’

Prime Minister, if you will not go down to one of those queues tonight, Tuesday night, and ask those motorists, firstly, if they would support a 5c cut in the excise on fuel and then, secondly, if they think it is a good idea to have an inquiry that will report in 18 months and might take 4c a litre off the price of petrol—if you will not go down there and ask them—we will send Cardboard Kev! They will get more sense out of him than out of you!

This country is in a strong budgetary position. It is so because, over 11½ years, that man there, the member for Higgins, made tough decisions. He made decisions—along with the then government—to get this country into a strong position where surplus budgeting is the norm, where unemployment was going down, where interest rates were going down and where tax cuts were delivered in almost every budget that was delivered. I say to the Prime Minister—through you, Mr Speaker—that Australians are at breaking point. Petrol is $1.60 a litre and rising. There is one thing the Prime Minister can do—one thing that he has control over. He has 38c a litre of excise, money collected from those same families that are there tonight, in some cases going without the most essential basics to put petrol in their cars. The Prime Minister can make a decision to reorder his priorities and give them some relief.

Everybody knows that the coalition stands for lower taxes and for a cut in the excise of 5c a litre. We must make it clear to you, Prime Minister, that Australians need decisions, they need leadership and they need relief. They do not need another committee. They do not need an inquiry. They do not need a summit. They do not need something that is going to report in 18 months and that might give them less than 4c a litre. Australian families, Australian pensioners and Australian seniors have to eat. Ninety per cent of households have a car, and they need to put petrol in it. They know—Australians know; we all know—that, of course, there are global issues affecting the price of petrol, but they know that the one thing the Prime Minister can control is the excise on petrol. The Prime Minister needs to show leadership, to be decisive, to give Australians relief, to support a 5c a litre cut in the fuel excise and not to give them another committee to eat or to put in their fuel tank. We censure the Prime Minister of Australia because he has given up on Australians.
The SPEAKER—Order! Is the motion seconded?

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

Mr Rudd (Griffith—Prime Minister) (3.29 pm)—I move:

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

“this House supports the Government’s creation of a National FuelWatch Scheme as announced by the Government on 15 April 2008 and foreshadowed in the report of the Australian Competition and Consumer Commission (ACCC) into the price of unleaded petrol in December 2007, with the following characteristics:

(1) under the National FuelWatch Scheme, petrol stations in metropolitan and major regional centres will be required to:
   (a) notify the ACCC of their next day’s prices by 2 p.m. the day before;
   (b) maintain this advised price for a 24 hour period; and
   (c) apply the scheme to unleaded petrol, premium unleaded petrol, LPG, diesel, 98 RON and biodiesel blends;

(2) the extension of this scheme outside of metropolitan areas and major regional centres will be subject to negotiation between the ACCC and local Government authorities in rural areas. Rural local authorities will be able to opt in to the National FuelWatch Scheme—as they can under the WA FuelWatch model; and

(3) the petrol price information collected from these petrol stations will be made available to consumers through:
   (a) an email and SMS alert service informing subscribed consumers details of the cheapest fuel in their area;
   (b) a national toll free number where motorists can locate the cheapest petrol in the area they are looking to purchase fuel; and
   (c) a National FuelWatch website with station by station, day by day and suburb by suburb petrol price information; and

further, that this House supports FuelWatch as the most effective tool to empower motorists with their fuel purchasing decisions, leading to real benefits for motorists including:

(1) the ability for motorists under a National FuelWatch Scheme to find and access with certainty the cheapest petrol prices;

(2) the downward pressure in prices as a result of introducing FuelWatch with an independent analysis conducted by the ACCC concluding that petrol prices were on average 1.9 cents per litre less under Western Australia’s FuelWatch Scheme;

(3) the convenience of motorists being able to find the cheapest petrol via the FuelWatch website, or by SMS or email alerts; and

(4) addressing the information imbalance in the retail petrol market as outlined by the ACCC’s Petrol Pricing Report, a report and inquiry commissioned by the previous government”.

The purpose of the amendment is pretty straightforward. It is to get those opposite to finally put their money where their mouths are. We have been having this debate since 15 April, and every time those opposite have been asked this question—are you going to go for it or are you against it—they go to water. They went to water on it again this morning. It is time for them to put their money where their mouths are, because in a few minutes time they will be required to vote on this amendment in order to nail to the mast once and forever their opposition to this proposed national Fuelwatch scheme. When they do so, and that action is followed in the substantive vote on the substantive legislation in the House of Representatives and followed in the Senate, where they have the numbers to defeat this legislation to bring in this national Fuelwatch scheme, the whole country will know where they stand—that is, opposed to this scheme. At present, the classic politics of those opposite is to carp about the edges, but on the substantive question of whether they are going to vote for it or
against it they are hiding in the trenches and ducking for cover.

We are not going to allow them that opportunity anymore. When this amendment comes to a vote very soon in the House of Representatives, they will be required, on the question of a Fuelwatch scheme, based on the previous government’s own commission of inquiry by the ACCC—a scheme which could bring about on average a 2c per litre reduction at the bowser—to stand unequivocally in the parliament and say, ‘We’re not going to give the Australian people that scheme.’ They will stand and vote in this parliament and say unequivocally that when petrol stations in a single metro area vary their prices between 15c and 20c across the metro area on a given day they stand for a proposal that says, ‘We’re not going to give consumers that information.’ They will, through their vote, tell the Australian people that they do not stand for—in fact they oppose—providing consumers with this kind of basic consumer information. And they will be standing up there and saying all the consumer power, all the market power, should lie with the petrol majors and with the petrol retail outlets and not be given to consumers. That is the clear-cut alternative that we face in this debate before us, and that is why the amendment to the censure motion is as explicit as it is.

What we are putting to those opposite today is a very clear-cut position: nail your colours to the mast, tell us whether you are for or against this, because, on everything else we have heard from you up until now, your preferred position is to sit on the middle of a barbed wire fence. They do not know whether they are for inflation or against inflation. They do not know whether there is an economic case for government expenditure cuts or not. They have said they do not know whether they support means-testing of welfare payments or not. They are not sure where they stand ultimately on the question of their own fuel excise proposal. Where their entire argument on this collapses—I listened very carefully to what the Leader of the Opposition said on this—is where he said that their position was clear. If it is so clear, why does the alternative Treasurer of Australia not stand up and say at the dispatch box that when he replaces the Leader of the Opposition as the leader of the Liberal Party it will be their policy come the next election? This fraudulent debate engaged in by those opposite falls apart at the seams because the alternative Treasurer of Australia—the person who conspires day in, day out to replace the Leader of the Opposition—when asked point-blank at the National Press Club whether this would be Liberal Party policy at the next election, said, ‘I cannot give that commitment.’ That is how robust the position of those opposite is.

It is not just the member for Wentworth. The email trail, and those associated with it, cries out to various journalistic contacts to make sure that their name is not associated with the 5c a litre proposal. It is led by the member for Higgins, who has now escaped from the chamber to do some more plotting, and endorsed by the member for Mayo, so I understand it—that is, he does not support it because it would trash the economic credibility of those opposite. Then we have the position of the member for Flinders, who seems to have fled from the chamber as well. He did not want to miss out in the rush to disassociate himself from the position formally adopted by the Leader of the Opposition. If this is going to be a fair dinkum debate, the proposal on the table from us is: here is a national Fuelwatch scheme—not a silver bullet but a way ahead. We have had a debate about it and we have agreed on a policy position.

Mr Morrison—Not all of you!
Mr RUDD—It is a very interesting interjection about not all of us, because I could say one thing when it comes to a comparison of Martin and Malcolm. First of all, Martin is not on the hunt for my job; Malcolm is certainly on the hunt for your job.

Honourable members interjecting—

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

Mr RUDD—And I do not see any dissenion on the part of the member for Wentworth on that proposition. I do not see the member for Wentworth taking a point of order. I do not see him rising to the dispatch box. I do not see him crying out saying, ‘I have been misrepresented.’ No, because it would be such a huge gap between that and the reality which we all know around this place, which is that the member for Wentworth is day in, day out out there undermining the Leader of the Opposition, but most pertinently in this debate in the chamber saying that this policy on which the Leader of the Opposition stakes so much is not one which he can guarantee that the Liberal Party will take to the next election. The whole premise of the debate is fraudulently undermined by the member for Wentworth’s position undertaken publicly. Then we had the carping from those opposite.

More broadly, this is about the question of economic responsibility. On the question of economic responsibility, we heard the Leader of the Opposition utter immortal words barely 15 minutes ago when he said that when they left office interest rates were coming down—not going up; they were going down. As I understand it, back at the time when they gave this terribly responsible commitment to the Australian people that interest rates would be kept at record lows, that was not entirely capable of being honoured by those opposite. In fact, they knew when they gave that undertaking that it was a fraudulent undertaking, but they did it in order to secure votes from the Australian people. But we have, as the ultimate indictment of the Leader of the Opposition’s lack of any form of credibility, him standing in this parliament in this debate, a formal censure of the Prime Minister of the country, and saying that when they left office interest rates were coming down. Leader of the Opposition, I do not know where you are getting your economic advice from. I suggest you get some new advice, because anyone would tell you—

Mr Swan—He’s getting it from Malcolm.

Mr RUDD—If you are getting your advice from Malcolm, I would think long and hard about it. It may have a different problem attached to it.

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

Mrs Mirabella interjecting—

The SPEAKER—I would remind the member for Indi of her status in the House.

Mr RUDD—Then on the absolute question of where we stood on 24 November, the fairytale being woven by those opposite, their Alice in Wonderland tour of the economic reality of the country, is this. On 25 November inflation became a problem. On 25 November, at least until this most recent intervention, which was remarkable, interest rates became a problem. We have now been blamed for interest rates in the last six months as well by them. Of course, on 25 November suddenly petrol prices became a problem and grocery prices became a problem and I presume everything else suddenly became a problem. The delivery of services to schools, and hospitals all became a problem. The unavailability of broadband services in the bush became a problem. So the underlying realities of this country suddenly went whoosh on 25 November—all changed. In 12 years it did not happen, not one bit.
I do not think the Australian people believe you. They have looked long and hard at the government as it was leading up to the election of last November and said, ‘You know, this mob have had a long time to prove whether they are fair dinkum; a long time to prove they are fair dinkum on dealing with the impact of inflation on interest rates; a long time to deal with the problem of the skills crisis which fuelled inflationary pressures in the economy—20 warnings from the Reserve Bank on that and infrastructure; 12 years to act on the infrastructure bottlenecks of the nation, and they failed to act; 12 years to act on the crisis in our hospitals, and instead they pulled out $1 billion; 12 years to act on our school system, and instead they simply said, ‘Blame the states;’ 12 years to act on climate change, and they said, ‘Find me a hole in which to bury my head and I will bury it there and bury it very deeply.’ That is the rationale of those opposite, that the entire universe changed on 25 November 2007 and none of these realities existed before. I say again that I do not think anyone out there believes the position being put forward by those opposite.

We have a view that when it comes to the challenges faced by working Australians, working families and those doing it tough, you have to deal with it at multiple levels. You have to deal with the system of tax we have in the country. Another bogus claim by the Leader of the Opposition is on the tax package. What did they stand for? An extra $3 billion or $4 billion to be delivered to people earning north of $180,000—that was their position going to the last election. What did we do by contrast? We took that money and we said: we are going to give it back to working families who are dealing with the cost of funding their kids’ education in schools, both government and non-government, through, for the first time in the nation’s history, an education tax refund—$4.4 billion into the pockets of working Australians out of the pockets of those who earn north of $180,000. And they say there was no contrast in the tax positions the parties took to the last election. If you think $4.4 billion is irrelevant to the daily budgets of working families across the country struggling with the cost of educating their kids, I think you are on a different plane of reality.

When it comes to the family budget, it is tax that counts, it is the education tax refund that counts, it is the childcare tax rebate that counts, it is the measures being promoted by the Minister for Housing to deal with housing affordability and also the measures that we have announced in terms of the Medicare levy surcharge that count. The assumption by those opposite that those on $50,000 a year are somehow wealthy and should have this impost on them is extraordinary and demonstrates of itself how out of touch they are. When you put all those measures together, none of them represents a silver bullet. But, if you have got money coming in from the tax cut; money coming in from the childcare tax rebate going from 30 per cent to 50 per cent; for the first time, the education tax refund; and, if you are in the $50,000 to $100,000 bracket, the additional benefit which flows from the change to the Medicare levy surcharge, these things add up in providing some additional practical help and they help deal with some of those pressures that families are under. What is the alternative? A 5c change in the excise, which even the alternative Treasurer and alternative Prime Minister, the member for Wentworth, does not support. That is the alternative. So we have an approach which says, ‘Here is tax, here is the childcare tax rebate, here is the education tax refund, here is housing affordability, here is what we are doing on the surcharge imposed on those people’—each of these delivering something by way of support to working families, and you say,
‘Here is our policy: 5c on excise,’ which the gentleman behind you does not support but has in fact used as a tool to undermine you.

The SPEAKER—Order! The Prime Minister will refer his remarks through the chair.

Mr RUDD—The censure is rejected. The amendment should be supported and we wait with interest to see how those opposite choose to vote.

Mr TURNBULL (Wentworth) (3.14 pm)—It is good every day to have another example of the shamelessness of this Prime Minister. We have been treated to speaker after speaker citing the report of the ACCC. Here it is. This is the one belonging to the Assistant Treasurer, which he tabled—barely read, pages unmarked. There is only one member of the front bench who has read this document, and that is the member for Bateman. He is the only one who has read it. What did this Prime Minister—this lightweight, this nonreader—say yesterday about it? He said:

The key thing is that when this matter was subjected to analysis by the ACCC, the conclusion was clear that this particular proposal of the government was worthy of implementation. Nothing could be further from the truth. The truth of the matter is that the ACCC expressly rejected it and said:

... the ACCC decided ... it was not possible to fully review all the options with regard to their administrative implications, effects on competition or their likelihood of delivering the objective of increased price transparency. A detailed assessment addressing these issues would have to be made before government could confidently embark on any one of the suggested options.

This report does not recommend Fuelwatch; it quite expressly does not recommend it. In answer to a question from the member for Riverina, the Prime Minister had the gall, the shamelessness, to say that Fuelwatch would benefit motorists in regional and rural areas.

Let us have a look at what the ACCC actually says:

A potential concern is that in less competitive markets—this is under the heading of ‘Effects on regional and country areas’—a FuelWatch type of scheme could lead to higher prices through anti-competitive effects. As a result further analysis of the effect of the WA FuelWatch scheme on regional and country areas is warranted.

This document has been read by only one member of the government—the Minister for Resources and Energy, the member for Bateman. He read it very carefully and he knew, from all the information he and his expert department had, that the evidence was that Fuelwatch would push prices up, it would reduce competition and that there was no case made for introducing Fuelwatch—not even a case made by the ACCC. I look at the Assistant Treasurer opposite and I think to myself, ‘What a lightweight.’ He stands up and tenders this document in support of a proposition this report actually opposes. The report does not recommend Fuelwatch; it says: ‘You’ve got to do lot more work. Have another look at it.’

Then, of course, we turn to the Treasurer. The Prime Minister’s devotion to China and his fluency in Mandarin is much admired. But what puzzled us yesterday was a disturbing interest that the Treasurer appears to have in the North Korean Juchi culture. I have never heard a leader in government, other than Kim Jong Il, say so confidently, ‘The people are happy.’ He had the glasses; all he needed was a boiler suit and a bouffant hairdo and it would have been him standing at the dispatch box! What is going on? It is all very well embracing our neighbours in the region, but, really, should we begin with North Korea? It is very, very troubling.
The fact is that we have had from the member for Batman, the minister for energy, a very cogent analysis of what is wrong with this plan—that is the truth. What he has said, very simply, is that if you try to control prices in this way all you will do is eliminate competition and prices will go up. He said that the people who are most price sensitive, plainly those on lower incomes, will suffer the most, because they will not be able to have access to the lowest price. And in a very deliberate jibe at the member for Prospect, the Assistant Treasurer, he cited working families in Western Sydney. This was a minister who was furious that the interests of the people he had dedicated his life to—Australian working families—were being betrayed by a government devoted to spin, a government that is only focused on having a story to tell: ‘It doesn’t matter who is in favour of it, it doesn’t matter what the arguments are, as long as it gives us something to say.’

The Assistant Treasurer received a letter some time ago from the Leader of the Opposition asking him for some assurances about Fuelwatch. The Assistant Treasurer replied on 16 April. This is what he wrote:

There is simply no independent analysis that has reached the conclusion that there is any upward pressure on petrol prices through FuelWatch.

This was two days after he had received very detailed, considered analysis from the minister for energy—a minister senior to him, a cabinet minister. This is the contempt the Assistant Treasurer holds his colleagues in. He dismisses them. ‘The member for Batman doesn’t know what he’s talking about; he can be dismissed.’

The truth is that consistently there have been serious reservations expressed about Fuelwatch. If we go back to Alan Fels when he was ACCC chairman, he noted back in 2003, in a report into fuel-pricing arrangements in Western Australia, that the 24-hour rule, where prices have to be nominated the day before and cannot be changed during the course of the following day, is:

... likely to have reduced rather than increased competition because it adversely affected independent operators.

Three years later, Professor Fels’s successor, Graeme Samuel, expressed the same concerns. He gave evidence before the Senate Economics Legislation Committee and said, on 3 August 2006:

... we have concern that that 24-hour notification can have a negative impact on competition.

At the same hearings on the same day, Brian Cassidy, the chief executive of the ACCC, said:

... we did have some concern that the 24-hour notification may well have acted to impede the ability of the independent chains to decide to discount, which they often do at fairly short notice, depending on where the market is, because they are required to actually give the 24 hours’ notice before they change their price.

That was the position of the ACCC right up to 3 August 2006. Then, in their most recent report in December, as I said at the outset of my remarks, what we have is no recommendation for Fuelwatch—none at all. It is a recognition that the analysis of it is very preliminary; there are enormous questions about it, its impact on independent retailers, its potential for anticompetitive effects in rural and regional areas and the potential for a reduction in the predictability of price cycles for consumers. This means, of course, the ability of those consumers who are focused on getting that lowest price: the price-sensitive consumers, the battlers in Western Sydney that the member for Batman was so concerned with and that the member for Prospect represents but is not concerned with. The ACCC recognised that concern and said that was another big question. They also identified the considerable administrative
costs both on the government and for compliance.

We turn to another recent considered analysis. The Queensland government in August 2005 investigated petrol pricing in Queensland. The committee was chaired by none other than Queensland’s current Treasurer, Andrew Fraser, and it released its report in April 2006. This report examined Western Australia’s FuelWatch scheme and this is what recommendation 12 of the report said:

That the Minister for Fair Trading not introduce legislation to control petrol prices in Queensland based on the Petroleum Products Pricing ACT 1983 (WA).

The Queensland government responded two months later and the then Deputy Premier and Treasurer, Anna Bligh, now Premier, agreed with it. This is what she said:

The ACCC has investigated Western Australia’s 24 hour price fixing rule and found that average fuel prices would generally not be lower under the scheme. Furthermore, the model is very costly to establish and operate, with no tangible benefit to the community.

We have been told one falsehood after another about Fuelwatch by this government. We were told the ACCC recommended the implementation of this scheme, when in fact it is obvious that the ACCC has done no such thing. The document speaks for itself but it only speaks—and I focus my attention on the Assistant Treasurer, whose copy this is—to those who take the time to read it. We have seen a report from the Queensland government carefully analysing it and concluding that it would put upward pressure, not downward pressure, on prices. And of course we look at what the situation is today. We look at the website www.motormouth.com.au. In Perth today, the average unleaded petrol price is $1.54, higher than the average prices elsewhere in the country.

Really, that is what this all boils down to. This is a government that is determined to manipulate and constrain the market and that has no faith in competition. They say they are economic conservatives. This is old-style socialism; this is old-style nanny state. This is a Prime Minister who said in his remarks earlier in question time how horrible it was to have fluctuations in the price of petrol in the course of one day. So we cannot have price fluctuations in the course of one day. What is going to be next? Will fruit and vegetable prices be fixed a day in advance? What about real estate prices? What about shares on the stock market? What are we going to do? We want to be a financial centre in Australia but, no, we will have prices fixed the day before. We are going back decades and decades.

This is extraordinary. It is an assault on competition, an assault on free enterprise, an assault on the market, and, as always, when the market is assaulted the people that suffer the most are those that are seeking the keenest price. We in the Liberal Party stand for enterprise. We stand for competition. We believe in free markets. We know that the way consumers get the best price is through effective competition, a free market and ensuring there is a competitive petrol market—which there is. We are very happy to have prices disclosed on the internet through websites. That is all good; more transparency is fine. But fixing the prices is a way of controlling those prices and keeping them up. All that the government will do, for the sake of a headline, is undermine the position and living standards of the working families it so hypocritically claims to represent.

Mr Bowen (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (3.59 pm)—It took an election defeat, but at last we hear from the Liberal Party about cost-of-living issues for Australian families. At last we hear from
the party of Work Choices, the party that introduced a law which put downward pressure on Australian wages, about the cost-of-living pressures on Australian families. In his address for election to the leadership of the Liberal Party which we just heard, the putative Leader of the Opposition at last makes reference to Australian working families. This is a man who not long ago, when he walked through the House of Representatives entrance to this Parliament House, said that a 25 basis point rise in interest rates was "overdramatised." The alternative Treasurer of this country said, "All this talk about interest rates is overdramatised." Now we have crocodile tears from the member for Wentworth—who dares to lecture us on working families in Western Sydney and dares to come in here and lecture us about the cost-of-living pressures on Australian people.

Those opposite are from the party that just 150 days ago believed that Australian working families had never been better off. They are the party led by the man who just five minutes ago said interest rates were coming down under the previous government. How out of touch can you get? It is a race to be more out of touch between the member for Wentworth and the Leader of the Opposition. They are the party which care so little about working families that they are prepared to raid the surplus to put upward pressure on Australian interest rates. They are prepared to raid the surplus that has been built by the Australian government to put downward pressure on Australian interest rates. They are the party led by the man who just a few weeks ago said inflation—and, therefore, cost-of-living pressures—was a charade. And today we see crocodile tears from them.

Today, in a few minutes time, the opposition can decide whose side they are on. Are they on the side of Australian motorists? Do they agree with the leader of the Liberal Party in New South Wales, who said that Fuelwatch:

... will ease the burden on families and pensioners by helping drive down petrol prices. This is about putting the interests of motorists’ wallets ahead of company profits.

Do they agree with their colleagues in Western Australia? Does the Deputy Leader of the Opposition—a Western Australian Liberal, who presumably has been a delegate to Western Australian state conferences which have endorsed the FuelWatch policy—agree with her state colleagues? Would she agree if she became leader of the Western Australian Liberal Party, for example? Would the member for North Sydney agree with his state colleagues if he became leader of the New South Wales Liberal Party? I am just plucking a title out of the air. This is the time for the Liberal Party to choose. Do they agree with their state colleagues? Are they on the side of motorists or are they on the side of those with vested interests?

We all know their 5c per litre plan will not happen. The shadow Treasurer knows it. The Prime Minister invited him to confirm that it would be his policy at the next election should he lead the Liberal Party at the next election. He declined to take up that challenge. They are entitled to a fantasy. I do not begrudge them their fantasy, but, while they engage in their fantasy, let us get on with our practical plan, our modest but sensible measure, to put downward pressure on petrol prices. We all know their plan cannot be delivered. The shadow Treasurer knows it, the member for Higgins knows it and the member for Mayo knows it. We do not have much truck on this side of the House with the member for Higgins or the member for Mayo. We do not always see eye to eye but we do recognise they are experienced. We do recognise they are realists. They know what can be delivered and they know that this plan of the Leader of the Opposition is a fantasy.
While you engage in your fantasy, do not stand in the way of our plan. Do not stand in the way of our plan to help Australian motorists. Do not stand in the way of our plan to help motorists find cheaper petrol, petrol which can be 30c a litre cheaper in any given city on any given day. Do not stand in the way in this House in a few minutes time and do not stand in the way in the other place when the legislation is introduced.

We heard during question time about what the Liberal Party seem to support. They seem to support the situation which the ACCC described as being conducive to anticompetitive coordination. Tell us where you stand when the ACCC says the direct exchange of price information between suppliers is conducive to anticompetitive coordination. Tell us where you stand on the ACCC’s view that the circulation of price data on a very frequent or near real-time basis raises the concern that it could be promoting anticompetitive behaviour amongst refiner markets and supermarket chains in the retail market. Tell us where you stand on the one-way street that is petrol pricing in this country at the moment. Tell us where you stand on the issue of Australian motorists getting real-time information about petrol prices and knowing with certainty that, when they go to a service station, the price that was advertised will be the price when they get there. Tell us where you stand on information about the spikes in petrol prices in the lead-up to weekends and long weekends.

If those members opposite stand in the way of this legislation then every time there is a big increase in petrol prices, before a weekend or before a long weekend, and every time I receive an email from a motorist—and I get hundreds a week—saying, ‘What can you do to help us deal with these big price rises just before the weekend?’ I will respond by saying, ‘I have forwarded your email to the member for Bradfield, because he is the man standing in the way of Fuelwatch. He is the man who has stopped a scheme which could give you information, in advance, saying: petrol prices are going up tomorrow; you had better buy today. He is the man standing in the way of the chairman of the ACCC.’

We heard a lot from the shadow Treasurer about this socialist scheme from that well-known socialist Graeme Samuel. The shadow Treasurer is the man standing in the way of this scheme supported by the ACCC and the Petrol Commissioner. We know those opposite do not support the Petrol Commissioner. We do not know whether they would keep the Petrol Commissioner if they were elected at the next election, but we know they never got around to appointing a Petrol Commissioner. We know they do not support the Petrol Commissioner, but, while he is there, why don’t we put in place a plan which he says he needs to do his job? Why don’t we give the Petrol Commissioner a scheme he says will help Australian motorists?

We have heard a lot of rhetoric from the opposition about petrol prices under Fuelwatch. They pluck out figures; they pluck out certain days of the week. What they will not tell you is this: the analysis is that in every year—2004, 2005, 2006 and 2007—average petrol prices in Perth have been lower than in every other capital city. And what they also will not tell you is this: fuel standards in Perth are higher than in the rest of the country. They have higher environmental standards, which makes their fuel more expensive and yet it is still cheaper under FuelWatch than in other capital cities, except of course Brisbane, with the subsidy.

What we hear from the opposition is half-truths and misleading statements. Let’s not have this rhetoric from the opposition about fuel prices in different parts of the country. If
they bother to read the ACCC report they will have the evidence before them. When they have their briefing tomorrow from that well-known socialist, the chairman of the ACCC, and he explains to them what work the ACCC has been doing with the government on developing the proposals in the ACCC’s report, and when the Petrol Commissioner explains to them why the Petrol Commissioner views this scheme as being vital to delivering more information and transparency to Australian working families, they might then reconsider their position. They might then reconsider their position and give Australian families a fair go. They might say: ‘Fair enough. We will give motorists the opportunity to find that cheaper petrol. We will give motorists the opportunity to log on to the ACCC’s website, the Fuelwatch website, and put in their route between home and work and find the cheapest petrol along the way.’ They might even support business in Australia.

We have heard a lot from the opposition about how cheaper fuel prices lead in to inflation and lead in to cheaper grocery prices. Imagine if a major transport company delivering goods in trucks across the country could have an employee log on to the Fuelwatch website and say to their hundreds of drivers spread across the country, ‘Here is the cheapest petrol you can buy,’ and it might be 20c or 30c or 10c a litre cheaper than the average. Can you imagine the savings for a large business in this country? Those are savings that members opposite appear certain to block. We heard the putative Leader of the Opposition this morning saying, ‘We oppose Fuelwatch but we are not sure how we will vote.’ It rang of the Deputy Leader of the Opposition: ‘We neither support nor oppose,’ We have been here before. Soon we will know. In five minutes time we will know where they stand.

Do you stand with motorists or do you stand against motorists? Do you stand for more transparency or do you stand against transparency? Do you stand for more information or do you stand against more information? These are the essential points. While you are engaging in your fantasy of reducing the excise on petrol, let us get on with our practical plan—a practical plan that will introduce more transparency and competition into the Australian petrol market, a practical plan which builds on the work done by the Petrol Commissioner and the increased powers for the ACCC, a practical plan which builds on the election commitment made by the Prime Minister and the Treasurer to introduce more transparency and competition into the Australian petrol market. This is what we promised to do at the election.

We have heard a lot of verbalising from the opposition about what we actually promised. They allege that we promised we would solve all the world’s problems. Of course, unlike them in 2004, we levelled with the Australian people and said, ‘This will not be easy.’ We levelled with the Australian people and said, ‘There are no magic bullets.’ We levelled with the Australian people and said, ‘We can’t guarantee that grocery or petrol prices will come down, but we will do everything we can to put downward pressure on them by introducing more competition.’ Those opposite cannot deny it, because the member for Higgins pointed it out at the time. The member for Higgins raced out and held a press conference after the then shadow Treasurer was asked by Laurie Oakes on the Sunday program:

Can you guarantee if you win government petrol prices will fall?

The then shadow Treasurer said:

No, I can’t guarantee that, but I can guarantee that we will do the maximum amount possible to make sure that people aren’t being ripped off.
That is what the now Treasurer said—unlike you. The former Treasurer, our old friend up in by-election alley, the member for Higgins, raced out to hold a press conference and said:

Here is the Labor stunt machine at work ... They want to pretend they are doing something on petrol—you ask them does it mean petrol prices will fall, no.

So they knew what we were committing to. We were committing to increased transparency and competition to put downward pressure on petrol prices. They knew it then and they know it now and they are trying to fit us up for being as silly and as dishonest as they were when they promised to keep interest rates at record lows. We have a different approach. We have the approach of being honest with the Australian people and saying that, when world oil prices are so high, it is incumbent on the Australian government to actually do something to ensure more competition and transparency in the Australian petrol market—something they failed to do.

Their official policy was the shoulder shrug: ‘Nothing we can do.’ That is their official policy in government. It was: ‘Australian working families have never been better off; therefore, there is nothing we can or should do.’ We have a different approach. We have the approach that we can, through a range of modest measures, put downward pressure on petrol prices. We have the view that we can give consumers more information and get rid of a system which the consumer watchdog, the people charged to independently stand up on behalf of consumers in this country, say is conducive to anticompetitive coordination. We say that is not acceptable. We say that is not good enough.

They were always soft on competition on the other side. They were soft on cartels; they never criminalised cartels—we are doing it. They were soft on the Trade Practices Act and soft on predatory pricing. We are toughening it. They were soft on competition in the petrol industry. We have introduced a Petrol Commissioner, a full-time cop on the beat, to ensure no price gouging and to ensure proper competitive conduct in the petrol industry in Australia. We are doing what they never had the wit to do, because they were so out of touch that apparently they believed there was not a cost-of-living pressure in Australia. Apparently, according to the Leader of the Opposition, they believed that interest rates were coming down. No wonder they have lost in the economic credibility stakes, according to the Australian people. They thought interest rates were going down. They say that everything was okay, that Australian working families had never been better off.

We have got news for them: Australian working families were and are doing it tough and they need somebody on their side, and the people on their side sit on this side of the chamber. The people on their side believe that you can make a difference through competition and transparency. The people on this side of the chamber believe that you can make a difference by putting downward pressure on prices by having transparency in the Australian petrol market—something those opposite ignored for 11 years. They were thrown out because they were out of touch. They were thrown out because they were full of people like the Leader of the Opposition, who says that interest rates were coming down, and the putative Leader of the Opposition, who says that an interest rate increase is overdramatised. Don’t lecture us about working families in Australia, because Australian working families finally have somebody on their side.

Question put:
That the words proposed to be omitted (Mr Rudd’s amendment) stand part of the question.
The House divided. [4.19 pm]

(The Speaker—Mr Harry Jenkins)

Ayes……………59
Noes……………80
Majority………21

AYES

Abbott, A.J. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Broadbent, R. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Coulton, M. Downer, A.J.G.
Dutton, P.C. Farmer, P.F.
Georgiou, P. Haase, B.W.
Hartsuyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Hunt, G.A.
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, I.E. Nelson, B.J.
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. Sliper, 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. *

Elliot, J. Ellis, A.L.
Ellis, K. Emerson, C.A.
Ferguson, L.D.T. Ferguson, M.J.
Fitgibbon, J.A. Garrett, P.
Georganas, S. George, J.
Gibbons, S.W. Gillard, J.E.
Gray, G. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. * Hayes, C.P. *
Irwin, J. Jackson, S.M.
Kelly, M.J. Kerr, D.J.C.
Livermore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. McMullan, R.F.
Melham, D. Neal, B.J.
Neumann, S.K. O’Connor, B.P.
Owens, J. Parke, M.
Perrit, G.D. Plibersek, T.
Price, L.R.S. Raguse, B.B.
Rea, K.M. Ripoll, B.F.
Rishworth, A.L. Roxon, N.L.
Rudd, K.M. Saffin, J.A.
Shorten, W.R. Sidebottom, S.
Smith, S.F. Snowdon, W.E.
Sullivan, J. Swan, W.M.
Symon, M. Tanner, L.
Thomson, C. Thomson, K.J.
Trevor, C. Turnour, J.P.
Vamvakinou, M. Zappia, A.*

* denotes teller

Question negatived.

The SPEAKER—Order! The question now is that the words proposed to be inserted be so inserted.

Mr HOCKEY (North Sydney) (4.24 pm)—I move a motion that all words after ‘That’—

Mr Albanese—Mr Speaker—

The SPEAKER—The member for North Sydney will resume his seat. I call the Leader of the House.

Mr ALBANESE (Grayndler—Leader of the House) (4.24 pm)—I move:

That the question be now put.

Mr Hockey—Mr Speaker, I had the call.

The SPEAKER—Order! The member for North Sydney will resume his seat. The
Leader of the National Party will resume his seat. Standing order 81 states:

Closure of question
After a question has been proposed from the Chair, a Member may move without notice, and whether or not any other Member is speaking—

That the question be now put.
The question must be put immediately and resolved without amendment or debate.

DISSENT FROM RULING
Mr HOCKEY (North Sydney) (4.25 pm)—I move:
That the Speaker’s ruling be dissented from.
Mr Speaker, I stood before this House to have the call to move a subsequent amendment to call on the Prime Minister to guarantee to this House and to the Australian people that, under the government’s Fuelwatch, petrol will not go up by more than 1c. Now the government is closing us down and stopping a debate on fuel after it came into this place and moved a motion outlining for the very first time the details of its Fuelwatch proposal. This clearly illustrates—

Mr Albanese—Mr Speaker, I rise on a point of order that goes to relevance. This is a motion of dissent from your ruling. The member for North Sydney must refer to the standing orders.

The SPEAKER—This is a motion of dissent from the Speaker’s ruling and the member for North Sydney should return to the question.

Mr HOCKEY—The question before the House clearly illustrates that you, Mr Speaker, have failed to take into account that I had the call in the first place so that we could go on to debate this government’s hashed-up proposal for Fuelwatch. We want to debate it; now the government is trying to close us down.

Mr Albanese—Mr Speaker, we allowed a censure motion. We want a vote on whether Fuelwatch is supported or not, and we agreed on two speakers—

The SPEAKER—Order! The motion of dissent from the Speaker’s ruling is a rather narrow motion. The member for North Sydney will return to the motion before the chair.

Mr HOCKEY—I am moving a motion of dissent for the specific purpose of outlining to the House exactly what the process is and was in relation to a debate about Fuelwatch. How arrogant of this new government, which came in and tried to change the standing orders—

The SPEAKER—Order! The member for North Sydney must go to the reasons that he believes that the ruling was wrong and is dissenting from it.

Mr HOCKEY—I was referring specifically to standing orders, Mr Speaker. In those standing orders there is the opportunity for a member to move a further amendment, as the Prime Minister did in this debate, and there is subsequently an opportunity for further members to move amendments. The Leader of the House and the Prime Minister sought to close us down on fuel. They are trying to close down the Australian people when it comes to petrol prices. We will not be silenced.

Mr Albanese—Mr Speaker, this is a motion of dissent from your ruling. Your ruling was made under standing order 81. The Manager of Opposition Business needs to indicate where standing order 81 has been breached by you.

The SPEAKER—The member for North Sydney has the call and will address that question.

Mr HOCKEY—Mr Speaker, section 87 of the standing orders is about dissent motions. I am moving a motion of dissent from your ruling. Specifically, House of Representatives Practice allows us to engage in a de-
bate and to move an amendment to the debate. Do you know what? We have the hypocrisy of the government in relation to matters of accountability and transparency. What they do is try to close us down. We are defending Australian motorists and the Labor Party are trying to close us down. They are trying to close us down!

Mr Albanese—Mr Speaker, I rise on a point of order. I am sure there is something in there about excess anger shown in the House, but—

The SPEAKER—That is not a point of order.

Mr Albanese—the member for North Sydney must show where your ruling is wrong, Mr Speaker. He has not referred to it once. He has been going—

The SPEAKER—The Leader of the House will resume his seat. The question before the chair is a dissent from the Speaker’s ruling, and that is what the debate must be about, not other matters.

Mr HOCKEY—I have outlined it, Mr Speaker—section 87, dissent from the ruling of a Speaker. Section 87 allows me to argue the point. I have made the point again. What happened was that—and let us be very clear about the procedures that occurred immediately before this dissent motion—firstly, this opposition, the coalition parties, moved a censure motion against the Prime Minister. The Prime Minister scurried away to write up what would be Fuelwatch on the run. He moved an amendment to our motion—

Mr Albanese—Mr Speaker, I rise on a point of order. The member for North Sydney is defying your ruling. He has to refer to—

The SPEAKER—Order! The Leader of the House will resume his seat. The question before the chair is a dissent from the Speaker’s ruling under standing order 87, where the objection or dissent must be declared.

Mr HOCKEY—The Prime Minister then made a hashed-up Fuelwatch scheme on-the-run motion and sought to have our words omitted and replaced with his words. In the interim, after the first vote about omission had taken place, I came to this dispatch box and I sought the call. You gave me the call. I was moving a further amendment calling on the government to guarantee that under their Fuelwatch plan the price of petrol would not increase as a result of that plan. In the interim you provided the call to the Leader of the House, and under that situation you gave him the call in which he sought to close the debate. We disagree. We are moving a motion of dissent from your ruling. You should have given me the right to outline the motion and debate a motion. That is our view. We want to have a debate on fuel prices and so do 21 million Australians.

The SPEAKER—I am listening carefully to the member for North Sydney. I ask him to be relevant to the motion.

Government members interjecting—

Mr HOCKEY—The Leader of the House is now saying—

The SPEAKER—The member for North Sydney will ignore the interjections and the interjections will cease.

Mr HOCKEY—We are entitled to move a further amendment under the standing orders and under House of Representatives Practice. We are perfectly entitled to move a further amendment. The fact that the government has closed us down when we have tried to continue the debate in relation to fuel says everything about the way this government runs this place, and everything about the arrogance of the Prime Minister and the leader of the government in this House. It is with great regret that we are moving a motion of dissent from your ruling, but we are
doing it because we want to have the right to debate petrol prices in Australia. We want to speak for Australian motorists. We want to speak for Australian people.

Mr Albanese—Mr Speaker, I rise on a point of order. That cannot possibly be relevant to the question before the chair.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. The Leader of the House has continually stood up and made frivolous points of order and should not be allowed to continue to make the same point of order.

The SPEAKER—The member for North Sydney has the call.

Mr Hockey—This House is a house for the people, and the people are speaking. The people are saying they want to have a debate on fuel. You have ruled that we have to close down a debate on fuel. We do not accept that. We want to debate petrol prices. We stand up for pensioners. We stand up for families. We stand up for motorists. We stand up for the people who are paying too much for their petrol. (Time expired)

The SPEAKER—Regrettably, on the moving of the motion of dissent from the Speaker’s ruling I should have called for a seconder. Is the motion seconded?

Mr Hartsuyker—I second the motion.

Mr Albanese (Grayndler)—Leader of the House) (4.36 pm)—That was a quite extraordinary performance from the member for North Sydney. It was an extraordinary performance given that, once the government provided leave for the motion of censure that was provided by the Leader of the Opposition and seconded by the shadow Treasurer, the government ascertained that there would be two speakers each in this debate. There was an agreement about one hour ago. The problem that those opposite have is a complete failure of direction. We have stuck to the standing orders, House of Representatives Practice and our word—and, Mr Speaker, your ruling gave me the call in accordance with standing order 81. I want to read it for the benefit of those in the House. It says:

A question must be put immediately and resolved without amendment or debate.

There is some ambiguity in some of these standing orders, but there is no ambiguity—

Mr Tuckey—Mr Speaker, I rise on a point of order. The question that was before this House commenced immediately you gave the call to the member for North Sydney, and
that question is not yet resolved and therefore cannot be put. He is speaking about another question, and further I suggest that you look at the Hansard or the tape and find out what question you put as we were all crossing back to our positions. So let him talk about the issue before us.

The SPEAKER—The member for O’Connor does not have a point of order and should be very careful, given that I warned him earlier on. He has entered into the debate with a contribution in the guise of a point of order.

Mr ALBANESE—The statement that you made, Mr Speaker, was: ‘The question now is that the words proposed to be inserted be so inserted.’ You made that clear. You then had a situation whereby I, in accordance with standing order 81—

Opposition members interjecting—

Mr ALBANESE—I will do it again. For the member for North Sydney, I will read standing order 81 again:

After a question has been proposed from the Chair, a Member may move without notice, and whether or not any other Member is speaking—

That the question be now put.

The question must be put immediately and resolved without amendment or debate.

They have a conflict of disloyalties over there. The fact is that this was the sixth censure motion or motion for the suspension of standing orders after question time so far this year. Last year there were three in the entire—

Mr Abbott—Mr Speaker, on a point of order, the same rules ought to apply to the government as apply to the opposition. He must strictly debate the motion of dissent and not make general political points which—

The SPEAKER—Order! The question before the chair is the motion of dissent from the Speaker’s ruling and that is what speakers to the motion should be talking about.

Mr ALBANESE—House of Representatives Practice, on page 309, outlines the process of how you move an amendment to a proposed amendment. The problem that those members opposite have is that because, when it has been moved to omit words in the main question in order to insert or add others, no amendment to the words proposed to be inserted or added can be moved until the question that the words proposed to be omitted stand part of the question has been determined. That was determined and then, in accordance with standing order 81 and in accordance with the agreement between the government and the opposition about two speakers each, the debate was closed. Coming up we have, from the member for Cowper, an MPI debate on petrol with three speakers each. There are three more speakers on this item. But what we want to do is vote. We want to vote on FuelWatch because we are for it, and we are not sure whether they are.

Mr Abbott—Mr Speaker, I rise on a point of order. It is the same point that you so correctly enforced when the Manager of Opposition Business was speaking. It needs to be enforced against the Leader of the House, who is plainly making a political point, not debating the actual motion before the chair.

The SPEAKER—The Leader of the House will return to the dissent motion.

Mr ALBANESE—A dissent motion is pretty serious. You move it when you think that the Speaker has made an incorrect ruling, when you think standing orders have been breached and when you think House of Representatives practice has been breached. We on this side of the House, when we sat over there, took our obligations seriously in terms of dissent resolutions. There have already been more dissent resolutions this term
than there were last term. There have been more dissent resolutions in relation to your rulings this term than last term, and we are only six months into the new government. You have to take—

Mr Pyne—Mr Speaker, I rise on a point of order. The dissent motion is not about the number of dissent motions that have been moved by this opposition or by the previous opposition. The speaker should return to the subject of—

The SPEAKER—The member for Sturt will resume his seat. The Leader of the House will speak to the motion.

Mr ALBANESE—Indeed, Mr Speaker, because this dissent motion goes to the heart of your performance as the Speaker of the House of Representatives. That is what a dissent motion is. It says, in *House of Representatives Practice*, that a motion of dissent should be moved when the Speaker has got it wrong. It is a very serious motion to move. It should not be used by someone who says, ‘The Leader of the Opposition’s had a speech, the Deputy Leader of the Opposition’s had a speech and I don’t want to miss out—I’m a candidate for leadership; I want to give a speech too.’ That is all we have seen here.

Opposition members interjecting—

Mr ALBANESE—It is all about Joe. And now it is all about Tony—

The SPEAKER—The Leader of the House will return to the motion.

Mr ALBANESE—who thinks he has missed out. He thinks he is falling behind.

Opposition members interjecting—

The SPEAKER—The Leader of the House will return to the motion.

Opposition members interjecting—

The SPEAKER—Order! The member for Warringah and the Leader of the House will resume their seats.

Mr Abbott—Mr Speaker, I rise on a point of order. We know that the Leader of the House has run out of material, but the fact that he has run out of material—

The SPEAKER—Order! The member for Warringah will resume his seat. The Leader of the House will debate the question before the chair.

Mr ALBANESE—The question before the chair is whether your ruling is correct. It is correct. It is in accordance with standing orders—it is very clearly in accordance with standing orders—which is why we have not seen a single argument from the member for North Sydney about this ruling. *(Time expired)*

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.46 pm)—Mr Speaker, as the Speaker you have tried to be very fair in your office, and I think that you have earned the respect of the whole House for the way in which you have endeavoured to give members an opportunity to have their say. This is an instance where I think that a misinterpretation of the standing order has not allowed the honourable member for North Sydney a fair go. I refer to standing order 81—

Mr Albanese—Mr Speaker, I rise on a point of order. There was a seconder of this motion who reserved their right to speak, and the seconder of the motion is entitled under standing orders to be given the call.

The SPEAKER—On the point of order: there was only one person who sought the call and I have given that call to him—the Leader of the Nationals.

Mr TRUSS—Standing order 81 says: After a question has been proposed from the Chair, a Member may move … whether or not any other Member is speaking—
That the question be now put.

The issue is that, before that particular motion can be moved, the question must have been proposed, and the chair must have proposed the question to the House. That had not happened yet in this instance. The member for North Sydney was endeavouring to move an important amendment. He had not even completed moving the amendment, let alone got to the stage where the Speaker would actually propose the question to the House. The Leader of the House intervened and sought to immediately close it down. I would argue, therefore, Mr Speaker, that he acted prematurely, before he had a right to actually put that motion to the House. He should have listened first to the member for North Sydney moving his amendment and then waited for you, Mr Speaker, to propose the question to the House. That had not happened. He intervened immediately to deny the member for North Sydney the ability to even complete the motion he wanted to bring before the House.

It was an important matter. We have been debating the question of FuelWatch. The government had put forward an amendment to our original proposal; that had been approved by the House. Then we were proposing an additional amendment. That was a perfectly normal and correct procedure. But the reading of this additional amendment, proposed by the member for North Sydney, was not even completed. He was going to challenge the government in a really practical way to stand behind their commitment that no-one would pay extra for petrol. This amendment would have put the government to the test about whether they really believed that FuelWatch was going to work or not going to work. But he was not even given a chance to complete moving the amendment. The members of the House are not aware of its contents. Members of the government, who would have had the opportunity to put their votes where their mouths are over recent times, did not even get to hear the amendment. The Leader of the House may not have been aware that some of his members were probably interested in the commitment that this amendment would have enabled, but they were not even given the chance. The amendment had not even been completed by the member for North Sydney, let alone got to the key stage which triggers standing order 81—namely, that the Speaker then puts the question to the House. The Speaker had not done that. He could not, because the amendment had not yet been moved.

So, Mr Speaker, I would argue that, whilst you have always sought in this office to understand and to administer the rules of the House fairly and equitably, in this case there was no fair play. The procedures were truncated in a way that denied the member for North Sydney his right to actually put his motion and then for you to put it to the House. So, when the Leader of the House intervened, he was indeed out of order. He was acting ahead of the opportunity that the standing orders provide for the closure of the question.

In that regard, Mr Speaker, I believe in this instance your ruling was not correct. Whilst I have every respect and admiration for the way in which you are fulfilling the role, on this occasion there was an error. The opposition is seeking to correct that error and to give all members a fair go and, in this instance, to give the member for North Sydney the opportunity to move his amendment.

Mr BRENDAN O'CONNOR (Gorton)—Minister for Employment Participation (4.51 pm)—Well done on the ruling, Mr Speaker, because the fact is that there can be no area of disagreement amongst any sensible observers of what has gone on today. What we have witnessed today is an audition
for the position of future Leader of the Opposition. What we know, Mr Speaker, is standing order—

Mr Pyne—Mr Speaker, I rise on a point of order. Clearly, Mr Speaker, the member at the dispatch box should come back to speaking to the dissent ruling rather than the leadership of the opposition.

The SPEAKER—The member for Sturt has a valid point of order. The minister will come to the motion.

Mr BRENDAN O’CONNOR—Indeed, I go to standing order 81. Unlike the member for North Sydney, I have no doubt that standing order 81 is unequivocal. As indicated by the Leader of the House, there is no room for the Speaker to do anything other than that which was done when the Leader of the House rose and moved the procedural motion to have the motion put. That is what occurred. I do not know what part of standing order 81 the opposition do not understand, but again for the benefit of those opposite the standing order says:

After a question has been proposed from the Chair, a Member may move without notice, and whether or not any other Member is speaking—

That the question be now put.

The question must be put immediately and resolved without amendment or debate.

That is exactly what was to occur until the member for North Sydney, Mr Speaker, chose to defy your ruling with no basis for it whatsoever. Indeed, the member for North Sydney did not raise one substantive argument in defending his position to move a dissent from your ruling. There is a reason why the member for North Sydney did not advance one substantive reason for moving that motion of dissent. It is that there is no reason. This standing order is unequivocal, and every Speaker who preceded you in this place has upheld standing order 81 and the principle that when a procedural motion is moved—in this case by the Leader of the House—the Speaker has no option other than to put that procedural motion before debate continues. That is the only position left to the Speaker, and it is outrageous that the member for North Sydney chose to audition himself for the position of Leader of the Opposition this afternoon. The same goes for the member for Warringah. The two of them were getting up, trying to steal the grab that is going to be on the television news tonight.

The SPEAKER—Order! The minister will return to the motion.

Mr BRENDAN O’CONNOR—We know that is the main reason the member for North Sydney got up and started to scream.

Mr Abbott—Mr Speaker, on a point of order: the minister at the dispatch box is plainly defying your counsel. I think he should be sat down for any persistent course of conduct.

The SPEAKER—Order! The member for Warringah will resume his seat. The minister will return to the motion before the chair.

Mr BRENDAN O’CONNOR—The Leader of the House is absolutely correct. Over the last two terms, since I have been in this place, there has been no occasion when standing order 81 has been defied in the way in which it has been relied upon today. Standing order 81 is unequivocal. It quite clearly sets out the reasons we have substantive motions and procedural motions. Standing order 81 provides the opportunity for this place to move on to other business but does not provide you, Mr Speaker, with any discretion not to accept the procedural motion that is moved pursuant to that standing order. That is the reality. The fact is that the member for North Sydney chose to defy your ruling when in fact you had no room to move other than to put the procedural motion moved by the Leader of the House. You actually accepted that as a procedural motion.
You accepted the meaning and the definition of standing order 81. You accepted it not only because it is unequivocal in its wording but also because it has been upheld by Speakers who preceded you as what happens when a procedural motion of this kind is moved in this chamber. The fact is that the member for North Sydney understands that and he chose to move otherwise. *(Time expired)*

**Mrs BRONWYN BISHOP** (Mackellar) (4.56 pm)—Clearly, under standing order 121, the member for North Sydney was entitled to move a further amendment. This dissent from your ruling, Mr Speaker, has not been moved in a way that is overcritical of you and the way you carry out your duties in the normal way, except—

**Mr Albanese**—Mr Speaker, on a point of order: the member for Mackellar must refer to where your ruling is—

**The SPEAKER**—Order!

**Mr Albanese**—No, she cannot stand up moving a dissent motion and saying—

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

**Mrs BRONWYN BISHOP**—I am saying that, in the noise and disturbance that was in the House, it is quite clear that you could have made the error that has been made, and hence this motion has been moved. Standing order 121 clearly makes it the case that—

**The SPEAKER**—Order! The time for debate on the motion has expired.

Question put: That the Speaker’s ruling be dissented from. The House divided. [5.01 pm]

(The Speaker—Mr Harry Jenkins)

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<th>AYES</th>
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CHAMBER
Question negatived.

PRIME MINISTER

Censure Motion

Consideration resumed.

The SPEAKER—The question now is that the question be now put.

The House divided. [5.07 pm]

The Speaker—Mr Harry Jenkins

Ayes............ 80
Noes............ 58
Majority........ 22

AYES

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Burke, A.S. Butler, M.C.
Byrne, A.M. Campbell, J.
Champion, N. Cheeseman, D.L.
Clare, J.D. Collins, J.M.
Combet, G. Crean, S.F.
D’Ath, Y.M. Dasty, 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.
Geoghegan, S. George, J.
Gibbons, S.W. Gillard, J.E.
Gray, G. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. * Hayes, C.P.
Irwin, J. Jackson, S.M.
Kelly, M.J. Kerr, D.J.C.
Livermore, K.F. Macklin, J.L.
McClelland, R.B. Neale, B.J.
McKew, M. O’Connor, B.P.
McMullan, R.F. Parke, M.
Melham, D. Pliibersek, T.
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.
Rudd, K.M. Saffin, J.A.
Shorten, W.R. Sidebottom, S.
Smith, S.F. Snowdon, W.E.
Sullivan, J. Swan, W.M.
Symon, M. Tanner, L.
Thomson, C. Thomson, K.J.
Trevor, C. Turnour, J.P.
Vamvakinou, M. Windsor, A.H.C.
Zappia, A.

* denotes teller

NOES

Abbott, A.J. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Broadbelt, R. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Coulton, M. Downer, A.J.G.
Dutton, P.C. Farmer, P.F.
Georgiou, P. Haase, B.W.
Hartsuyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Hunt, G.A.
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. 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.
Somyay, 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.

The SPEAKER—The question now is that the words proposed to be inserted be inserted.

The House divided.  [5.12 pm]

(The Speaker—Mr Harry Jenkins)

Ayes…………..  80
Noes…………..  58
Majority………..  22

AYES

Adams, D.G.H.  Albanese, A.N.
Bevis, A.R.  Bidgood, J.
Bird, S.  Bowen, C.
Bradbury, D.J.  Burke, A.E.
Burke, A.S.  Butler, M.C.
Byrne, A.M.  Campbell, J.
Champion, N.  Cheeseman, D.L.
Clare, J.D.  Collins, J.M.
Combet, G.  Crean, S.F.
D’Ath, Y.M.  Danby, M.
Debus, B.  Dreyfus, M.A.
Elliot, J.  Ellis, A.L.
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.
Kelly, M.J.  Kerr, D.J.C.
Livermore, K.F.  Macklin, J.L.
Marles, R.D.  McClelland, R.B.
McKew, M.  McMullan, R.F.
Melham, D.  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.
Rudd, K.M.  Saffin, J.A.
Shorten, W.R.  Sidebottom, S.
Smith, S.F.  Snowden, W.E.
Sullivan, J.  Swan, W.M.
Symon, M.  Tanner, L.
Thomson, C.  Thomson, K.J.
Trevor, C.  Turnour, J.P.
Vamvakinou, M.  Zappia, A.

NOES

Abbott, A.J.  Andrews, K.J.
Baldwin, R.C.  Billson, B.F.
Bishop, B.K.  Bishop, J.I.
Broadbent, R.  Ciobo, S.M.
Cobb, J.K.  Costello, P.H.
Coulton, M.  Downer, A.J.G.
Dutton, P.C.  Farmer, P.F.
Georgiou, P.  Haase, B.W.
Hartsonyker, L.  Hawke, A.
Hawker, D.P.M.  Hockey, J.B.
Hull, K.E. *  Hunt, G.A.
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.  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.

The SPEAKER—The question now is that the motion, as amended, be agreed to.

The House divided.  [5.14 pm]
(The Speaker—Mr Harry Jenkins)

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**AYES**

- Adams, D.G.H.
- Bevins, A.R.
- Bird, S.
- Bradbury, D.J.
- Burke, A.S.
- Byrne, A.M.
- Champion, N.
- Clare, J.D.
- Combet, G.
- D’Ath, Y.M.
- Debus, B.
- Elliot, J.
- Ellis, K.
- Ferguson, L.D.T.
- Fitzgibbon, J.A.
- Georginas, S.
- Gibbons, S.W.
- Gray, G.
- Griffin, A.P.
- Hall, J.G.*
- Irwin, J.
- Kelly, M.J.
- Livermore, K.F.
- Marles, R.D.
- McKew, M.
- Melham, D.
- Neumann, S.K.
- Owens, J.
- Perrett, G.D.
- Price, L.R.S.
- Rea, K.M.
- Rishworth, A.L.
- Rudd, K.M.
- Shorten, W.R.
- Smith, S.F.
- Sullivan, J.
- Symon, M.
- Thomson, C.
- Trevor, C.
- Vamvakou, M.

**NOES**

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

* denotes teller

Question agreed to.

**QUESTIONS WITHOUT NOTICE**

**Budget**

Ms JUlie BISHOP (5.15 pm)—My question is to the Prime Minister. I refer the Prime Minister to his failure to answer my question yesterday about the $2.5 billion tax grab from gas field condensate announced in the budget. Is the Prime Minister aware that Western Australia relies on natural gas for more than 50 per cent of its energy needs, including electricity generation? Can the Prime Minister guarantee that his new $2.5 billion tax will not drive up the price of domestic gas and electricity for pensioners, households and businesses in Western Australia?

Mr RUDD—It is very interesting that this question is posed in the absence of the alter-
native Prime Minister. On the question of condensate, the measure—

Government members interjecting—

The SPEAKER—Order!

Mr RUDD—I do not think that was the coup d’etat arrangement. Wasn’t it supposed to be Wentworth and not Curtin? On the condensate arrangement, it was actually instituted back then in order to provide encouragement for the industry to start with. That is the first point. Secondly, that is quite a long time ago, and since that time the industry has not only become profitable and been established; if you look at the return to the industry concerned, its actual profits in recent years have been not just in the hundreds of millions of dollars but in the billions of dollars.

What this seeks to do is to actually close a tax loophole which has existed for a long, long time and, furthermore, to use those taxation measures to underpin the robustness and the financial integrity of this budget, with its $22 billion surplus, which is necessary as an instrument of economic responsibility. What we have witnessed in this chamber just now with this debate and this vote is quite remarkable. The Deputy Leader of the Opposition—

Ms Julie Bishop—Mr Speaker, I rise on a point of order, on relevance. The Prime Minister was asked to give a guarantee that his $2.5 billion tax grab would not drive up prices of electricity and domestic gas in Western Australia. He is straying off the topic onto unrelated areas.

The SPEAKER—The Prime Minister will respond to the question.

Mr RUDD—As I said, these measures close a loophole which has long existed. I suggest that those opposite look at the original rationale for the measure in question, which is to do with the establishment of this industry in the first place, and then look secondly at the actual returns which those companies are generating by way of profit now. Given their preferential taxation treatment, I have a simple response: let’s use that revenue to assist families under pressure; let’s use that revenue to start doing something about investing in the schools of Western Australia; let’s use that revenue to invest in the hospitals of Western Australia; let’s close a tax loophole that in fact can deliver revenue to the overall integrity also of the budget. This debate has been quite extraordinary, because those opposite have just voted against FuelWatch.

Mr Hockey—No!

Mr RUDD—Oh, they say, no, they have not voted against FuelWatch! I take the interjection from the Manager of Opposition Business, where he says they did not vote against FuelWatch. He has just said they have not—

Mr Hockey—Mr Speaker, on a point of order, the Prime Minister wrote out on the back of a question paper exactly what his hashed-up proposal is for FuelWatch. We have voted against it; we are standing up for the motorists!

The SPEAKER—There is no point of order.

Mr RUDD—One of the great principles of politics in this place for the Manager of Opposition Business is: the greater the volume the lesser the content. What we have had most recently is a complete tactical implosion on their side of the House. They know what has happened. They moved their censure motion, we moved a substantive amendment and we asked them to vote one way or the other on supporting this fuel tax measure—

Honourable members interjecting—
The SPEAKER—Order! The member for Dickson is not enhancing his chances of getting the call.

Mr Dutton—Mr Speaker, I raise a point of order on relevance. This was a question about domestic gas prices going up in Western Australia and he is not relevant to the answer.

The SPEAKER—The Prime Minister will respond to the question.

Mr Rudd—On the question of condensate, it is quite clear where our position lies—that is, that that revenue stream should be delivered to assist working families, including in ensuring that that money we have allocated to the establishment of national FuelWatch, some $20 million, can be delivered from an appropriate and secure revenue stream for the Commonwealth. The Manager of Opposition Business said they have not just voted against FuelWatch. That is exactly what he said.

Mr Hockey—Mr Speaker, on a point of order, if the Prime Minister wants to verbal me, he is entitled to move a substantive motion. We are happy to do that, Mr Speaker. We voted against the hashed-up proposal put together by the Prime Minister.

The SPEAKER—The member for North Sydney will resume his seat. A point of order is not an opportunity to enter into a debate. I call the Prime Minister.

Mr Rudd—When I said before that those opposite had voted against FuelWatch, the interjection from the Manager of Opposition Business was: ‘No, we haven’t.’ That is what we all heard over here. Now he gets to his feet with great gusto and says, ‘No, I didn’t say that.’ What is the position of those opposite? You are not opposing FuelWatch; it is just that you are not supporting it.

Mr Randall—Mr Speaker, I rise on a point of order. The point of order is that he was asked a question on gas prices and he is not answering the question. He needs to be relevant.

The SPEAKER—The Prime Minister will return to his response and, hopefully, end the response.

Mr Rudd—It is an arduous task, given the level of interjection and the number of interjections from those opposite, who are desperate not to confront a single fact—that is, they voted against FuelWatch. So when the motorists of Australia confront the challenges at the bowser—

Mr Truss—Mr Speaker, three times you have asked the Prime Minister to be relevant to the question. He has failed to do so. He is defying your order and you should sit him down.

The SPEAKER—The Leader of the National Party will resume his seat. I call the Prime Minister.

Mr Rudd—So condensate and all the other measures in the budget represent an exercise in financial integrity. The measures represent how you construct a robust surplus for the Commonwealth and how you produce, through that surplus, insurance for Australia’s long-term economic interest and sufficient revenue flow to ensure that we can help working families on the way through, including by establishing a national FuelWatch scheme. The direct connection between the two propositions is quite clear-cut. Those opposite have just voted against FuelWatch. They have tried to deploy every procedural device to avoid the vote. They voted against it and now they are seeking to wriggle out from under. It is quite clear-cut.

Mr Billson—Mr Speaker—

The SPEAKER—The member for Dunkley will resume his seat. The Prime Minister will bring his answer to a close.
Mr RUDD—Therefore, this overall debate has been most instructive about where those opposite stand and where we stand on the question of condensate, on the overall taxation arrangements for the Commonwealth and on assistance to working families. This debate has been about the Liberal Party, not about working families. Mr Speaker, I ask that further questions be placed on the Notice Paper.

QUESTIONS TO THE SPEAKER

Tabling of Documents

Dr SOUTHCOTT (5.23 pm)—Mr Speaker, I have a question relating to the Prime Minister’s behaviour and non-tabling of a document on 15 May. My question to you is: who determined that this document was confidential and who advised you that the document was confidential?

The SPEAKER—I have nothing further to add to the letter I sent to the member for Boothby. As far as I am concerned, the matter is closed.

Tabling of Documents

Mrs BRONWYN BISHOP (5.24 pm)—Mr Speaker, I have a question relating to a request earlier during question time that the member for Prospect table the documents from which he was reading. The member purported to table an ACCC report as the document from which he was reading. It was not so. He switched the document under his feet and presented documents other than the one he was reading from.

The SPEAKER—The member for Mackellar will resume her seat. As I said earlier in the session, I am not revisiting matters that occurred earlier in the day. They are matters which should have been raised at the time.

Mrs BRONWYN BISHOP—My question to you then is this: is it acceptable, when it is asked that documents be tabled, for a switch to take place? Does that not represent misconduct?

The SPEAKER—I am not proposing to enter into this debate either way. As I said, these are matters concerning the way in which the House conducts its business and they should be raised with the chair at the time they occur. I have taken the view that questions to the Speaker after question time are to relate to those matters for which the Speaker has administrative responsibility—that is, the conduct of parliamentary departments—and I am not going to be giving advisory rulings.

Mrs Bronwyn Bishop—Mr Speaker, you place members of the House in a difficult position because you are charged with the responsibility of keeping order in the House. Switching documents when asked to table them amounts to a misconduct for which you are responsible for taking action.

The SPEAKER—I am saying to the member for Mackellar that the matter should have been raised at the time she believed an incident happened that required my ruling.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (5.26 pm)—A document is presented in accordance with the list circulated to honourable members earlier today. Details of the document will be recorded in the Votes and Proceedings.

MINISTERIAL STATEMENTS

Australia-Chile Free Trade Agreement

Mr CREAN (Hotham—Minister for Trade) (5.27 pm)—by leave—I am very pleased to convey to the House the news that I have this morning concluded negotiations with Chile on the Australia-Chile Free Trade Agreement. This morning I spoke by telephone to my Chilean counterpart, Minister of Foreign Affairs, Alejandro Foxley. As a result of those conversations, we finalised the
remaining elements of the deal. This agreement will be formalised when Minister Foxley visits Australia in July to sign the agreement.

As the first trade agreement to be concluded by the Rudd government, this is a very strong result. This is the most comprehensive free trade agreement ever negotiated by Australia. Unlike the former government, we have delivered an FTA which meets all of our objectives and, importantly, delivers for all sectors of the economy. On goods, at the end of the implementation period or in 2015, the agreement will cover all existing trade—100 per cent of it. Tariffs covering 97 per cent of trade will be eliminated from day one of the agreement, which I expect to be 1 January next year. This is a first-class outcome on goods.

Sugar is the most sensitive sector for Chile, just as it was for the United States. However, unlike the Howard government, which wanted an FTA with the US at any cost, we made it clear that we would not accept the exclusion of sugar in this agreement with Chile. Members opposite should need no reminding that they abandoned our sugar industry, from New South Wales right up the east coast to Queensland, just to cut a deal with the US at any price.

I was not prepared to abandon Australian agriculture as the National Party did and, unlike the Liberal Party, I was not prepared to cut a deal at any price. It will be great comfort to Australian exporters to know that we have delivered for them on dairy tariffs, all meat and wine tariffs and all goods tariffs identified by Australian industry as priorities. The previous government talked big about FTAs but what did they actually deliver?

Mr Hunt interjecting—

Mr CREAN—The member opposite says they delivered big. They did not. In the US FTA they agreed to an 18-year phase-in for the reduction of tariffs on beef—18 years—and 18 years to agree to the full phase-in of dairy quota increases. There are no 18-year phase-ins under this deal. On the contrary, this is a World Trade Organisation-plus agreement, an FTA that truly enhances what can be achieved in the multilateral and regional fora.

On services and investment the outcomes that we have achieved go beyond the commitments both Chile and Australia have locked into at the WTO. This is WTO-plus in the real meaning of the word. It also includes a commitment by both parties to lock in any future liberalisation achieved on services and investment. This is by two means: a ratchet mechanism, which locks in any liberalisation achieved within Chile on services and investment, and a most favoured nation clause, which extends to Australia any liberalisation Chile grants to any new free trade agreement partner.

This high-quality outcome is consistent with what Labor has been saying about bilateral FTAs for some considerable time. Contrary to what the opposition has argued, we are not against bilateral FTAs. Rather, consistent with our national interests, we have recalibrated our trade policy towards multilateralism because that is where the biggest gains will arise. But this has never been about ignoring FTAs or underplaying their role. This FTA shows that Labor is about quality bilateral FTAs that reinforce and support our efforts in the multilateral arena. This is the Rudd government’s first FTA and it does just that. It is not just rhetoric. We have translated our policy into action.

Since coming into office, we have pushed hard to secure the high-quality outcome that we now have. We received an array of FTAs at different stages of development. This was the one that we focused most on because we believed that there was a real opportunity...
with the right political will to get an outcome that we have been advocating and the previous government could not deliver.

Mr Hunt—Sign here, Simon.

Mr CREAN—I invite the honourable member to listen rather than just chortle on. The last FTA of this quality with an agricultural producing country was the CER agreement also concluded by the Labor government in 1983—25 years ago. This is the sort of FTA that will be applauded in Geneva and rightly so; it is truly WTO-plus. It introduces a high-quality FTA, importantly into the APEC region, and it will be open, through its accession clause, to other APEC members to join.

I look forward to bringing this agreement to the attention of my APEC counterparts when I travel to Peru later this week for the APEC meeting of trade ministers. This agreement establishes a model for other bilateral and regional trade and economic integration efforts among APEC members. In doing so, it sends a signal to our APEC partners, reinforcing our efforts to revitalise regional economic integration in the APEC region.

In addition to working closely with Peru, I am working closely with the next three hosts of APEC: Singapore, Japan and the US—all countries that have been original members and strong supporters of APEC in the past. We want to garner that support again, strengthen it, build on it and develop a forward agenda in the region. That is another mechanism for the WTO-plus strategy—WTO at the multilateral level, the regional agenda and then quality FTAs. This is one of the building blocks of our strategy.

This agreement also builds on a rapidly growing relationship with Chile. Two-way trade between Chile and Australia has increased in the last 12 months from $675 million to $856 million and, importantly, the investment relationship is very substantial. Australia is the fourth largest investor into Chile, with investments worth around US$3 billion. Chile is Australia’s third largest trading partner in Latin America. Chile buys our coal, civil engineering equipment, specialised machinery and vehicles. Chile buys Australian services exports in a range of sectors. It is an investment base for over 70 Australian or Australian affiliated companies, mainly mining technology, services, gas distribution and power generation.

This agreement will be a key component of the broader strategic relationship this government wants to build with Chile. It will also provide a framework for an expansion of our engagement with Latin America. Importantly, this agreement will strengthen a trade policy alliance between Chile and Australia that is grounded in a belief in the value of free trade for economic development and prosperity. That alliance has been very effective in promoting our respective trade reform agendas internationally. Chile is an active and supportive member of the Cairns Group coalition, which Australia chairs. It is a coalition which is continuing its campaign to end discrimination against agriculture in the world trading system. We are both strong contributors to the multilateral trading system.

Within the Cairns Group and beyond, Australia and Chile are working together very closely to contribute to efforts to bring the Doha Development Agenda to a successful conclusion. Australia and Chile are leading efforts at the WTO to secure a high ambition outcome across the board on market access and subsidies through the Doha Round. We are committed to a Doha agreement that produces real and effective reforms to global markets. As I have said a number of times, Australia is committed to a successful outcome to the round this year, and FTAs such as this will help to continue to build the...
momentum towards ambitious global trade liberalisation.

The government will be working towards the entry into force of this agreement by 1 January 2009. We want exporters to enjoy duty-free access from that date for the vast majority of trade opportunities in goods. Sectors that will benefit include energy, coal, LNG, renewable energy, agriculture, dairy, meat, bovine and bovine genetics production and production technologies, and food and beverages, including wine. On services and investment, the FTA will offer Australian businesses new opportunities across the board, including in mining and energy, technology and services, engineering and consulting services, franchising, education and training services, information technology, tourism and infrastructure.

These opportunities will be locked in from the entry into force of the agreement. And, on government procurement, the agreement provides greater certainty for Australians looking to participate in the Chilean government procurements market. The agreement will provide access to a non-discriminatory regime which puts Australian suppliers’ goods and services on an equal footing with competitors from other countries. Through the provision on intellectual property, our IP rights holders can be assured that their rights can be protected and enforced in Chile. I expect the text of the agreement to be introduced into the House within the next few weeks for review by the Joint Standing Committee on Treaties, and I will be writing to my federal ministerial counterparts and to the states and territories to convey to them the text of the agreement.

This agreement is an important contribution to Australia’s trade and economic future. It abolishes tariffs on all existing goods trade and it delivers an outcome on services and investment over and above that achieved in the WTO. It is an agreement of which we can be proud, and I look forward to working with the Chilean government to bring it into force and to encouraging Australian businesses to take full advantage of the opportunities it will provide.

I ask leave of the House to move a motion to enable the member for Groom to speak for 14 minutes.

Leave granted.

Mr CREAN—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Groom speaking for a period not exceeding 14 minutes.

Question agreed to.

Mr IAN MACFARLANE (Groom) (5.41 pm)—Well, what a remarkable flip-flop we have heard here today—the Minister for Trade on his feet, lauding the benefits of a bilateral free trade agreement. What a profound moment this is, and I congratulate the member for Hotham for at last seeing the light, albeit six months late. It is a conversion on the road to Damascus, some might say. Of course, the Minister for Trade is right; this is a significant development for the Australian export industry. But let us remember that this free trade agreement is one that the minister did not negotiate the hard yards on. The hard yards were travelled by the member for Wide Bay and shadow minister for transport.

Free trade agreements do deliver sweeping benefits to Australian exporters and investors, and that is why the coalition government was serious about negotiating new opportunities for Australian exporters in the form of new free trade agreements. That is exactly why the coalition began the negotiation process with Australia’s third largest
trading partner in Latin America. It is exactly why the previous government put in the hard work and took the process so far and so seriously. As the Minister for Industry, Tourism and Resources I visited Chile in 2005, meeting with business and industry representatives. It was at that point that this free trade agreement was again raised with me. I understand it had been first raised with the previous Minister for Trade, Mr Vaile, the member for Lyne, because this market was one that the previous government took so seriously and recognised as fertile ground to provide new opportunities for Australian exporters.

One does have to wonder what the lightning bolt moment was that convinced the now Minister for Trade to get on board, because for the past six months, and stretching back even further than that to his time in opposition, the member for Hotham has been spinning a very different story. It was not long ago that the minister was dismissing free trade agreements as the poor cousin to multilateral agreements. During the member for Hotham’s tenure, the minister has been crying foul over the previous government’s broad-reaching and pragmatic approach to trade.

Mr Crean interjecting—

Mr IAN MACFARLANE—Mr Deputy Speaker, I did not interject during the member for Hotham’s address, and I would appreciate reciprocal action.

The DEPUTY SPEAKER (Hon. BC Scott)—I am sure the Minister for Trade will give the member for Groom clear air to continue his remarks.

Mr IAN MACFARLANE—It was just last year when the member for Hotham proclaimed:

Bilateral trade deals are a very poor second cousin to multilateral or regional agreements.

Bilateral agreements can lead to trade diversions rather than trade creation ...

Well, if this FTA is not trade creation, I do not know what is. Now, along with his eleventh-hour conversion to bilateral agreements, the Minister for Trade is acknowledging the weakness in his own argument and conceding, albeit on the sly, that free trade agreements are complementary, not contradictory, to multilateral agreements and can actually go further and offer greater benefits for Australian exporters. Let me repeat that in the member for Hotham’s own words: can go further and offer greater benefits for Australian exporters than multilateral agreements.

Not content to accept that the coalition had adopted a robust trade policy—it immersed itself in negotiation at both a multilateral and a bilateral agreement level—the Minister for Trade has instead been selling short the extensive opportunities for free trade agreements for Australian businesses. Today I congratulate the Minister for Trade on his about-face and his new-found willingness to accept the value of following the path laid out by his predecessors. For the truth is the minister stands here today to announce the fruits of a coalition policy and coalition initiated negotiations. It was the previous government that agreed to begin discussions on a bilateral free trade agreement with Chile. It was the previous government that put in the hard work to see that goal realised.

The record shows that the Australian Labor Party has never fully negotiated a bilateral free trade agreement. And today that record remains intact, despite what the member for Hotham may want us to believe or wishes so desperately to believe himself. And really, Mr Deputy Speaker Scott, perhaps exporters will be prepared to overlook this act of policy swiping from the Labor government. Perhaps they will not begrudge the efforts of the floundering minister, who seemingly has no policy direction and no
ideas about where to take this multibillion-dollar export industry. The minister may choose to stand in this place and take credit for the hard work and decisions taken by previous governments, but at least it is some good news for Australian exporters and investors. For the first time since the Rudd Labor government was elected, exporters have some good and solid news. All they had been offered before were empty words and, yes, more reviews and more reports. The member for Hotham needs to understand that rhetoric, reviews—

Mr Crean interjecting—

Mr IAN MACFARLANE—Well, you cut them short on that, didn’t you? The member for Hotham gives me the opportunity to raise an issue where he travelled Australia promising exporters that he would increase the EMDG Scheme to $200 million, but only in one year. He forgot to tell the exporters that it would only be for one year. All he was able to negotiate, for all of his efforts when he went to see the Treasurer, was an extra $50 million for next year and $50 million extra for the following year but not for the two years after that. More rhetoric, no delivery. And even though exporters will be glad today to see new opportunities open up, they must be forgiven for being a little more hesitant about what the future will hold for them.

This government can only ride on the coat-tails of the previous government for so long. And so far the signs of what else the Labor government has to offer are quite disheartening. The only contribution that this government has made to forging ahead with a new FTA opportunity has been to slash the negotiation budgets for agreements with China and Japan and send mixed messages on exactly where Australia stands when it comes to bilateral agreements.

Labor has ever been trumpeting its plan to fold Invest Australia into Austrade, showing a complete lack of understanding about its role in generating increased investment and jobs in Australia. As the minister for Invest Australia in the previous government, I can only say what a fantastic job they did. All of that is gone and 100 people have lost their jobs. Time is ticking away and the patience of Australian exporters and businesses is running thin. Soon this government will have to offer more than perennial reviews and fudged policies and trying to trumpet the work that was done for them by others.

MATTERS OF PUBLIC IMPORTANCE

Fuel Prices

The DEPUTY SPEAKER (Hon. BC Scott)—I have received a letter from the honourable member for Cowper proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of FuelWatch to provide cheaper petrol for motorists.

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 HARTSUYKER (Cowper) (5.49 pm)—There could be few matters of greater interest at the moment than the cost of living and, more importantly, the cost of fuel. It affects every family; it affects every single parent, every self-funded retiree, every carer, every pensioner. Every visit to the shops provides a reminder of how well or how poorly we are doing against rising prices. And we are not talking about luxuries; we are talking about necessities. We are talking about putting food on the table. We are talking about putting petrol in the car to get to work or to take the children to school or to
sport. It goes to the question that every parent, pensioner or carer asks themselves every time they visit the supermarket or the petrol station: can we go on living the way we are? We have no proposals from this government on grocery prices other than to launch yet another inquiry, which is grinding away as we speak. On fuel the government has taken some action. It has proposed to put up the price of diesel on heavy vehicles, which will, in turn, increase the price of fuel and, in turn, increase the price of groceries. And it is going to give us a national version of the FuelWatch scheme which has failed so dismally in Western Australia.

Let me start by looking at the performance of the FuelWatch scheme in WA, where the scheme began in 2001. There is no evidence that it has reduced prices. Recent evidence shows that weekly prices are generally higher in Western Australia than in other mainland states. In the week ending 6 April, WA averaged a low of 138.4 compared to a national average of 137.2. The week ending 13 April saw WA with an average of 141.7 compared to the rest of Australia, with 138.9. And so it goes on. The week ending 20 April saw WA with 141.9 compared to 140.4 for the rest of Australia. The week ending 27 April saw WA with 142.4 compared to 142.2 for the rest of Australia. And today, the day when Mr Ferguson’s writings were so clearly exhibited in the media, the price in Perth is higher than in any of the eastern capitals. Where is the benefit?

The Assistant Treasurer told the ABC in April that Fuelwatch would lower fuel prices by 2c per litre. On the same day, Graeme Samuel of the ACCC said Fuelwatch was not about saving motorists money. He said it was ‘not a process whereby consumers might be able to save 1c or 1.5c per litre off their fuel costs’. Petrol Commissioner Mr Patrick Walker, on the other hand, said it would save motorists a whopping 5c a litre. Who is right? They cannot all be right. In fact, on current figures it appears only Mr Samuel is correct. He said it is not about saving motorists money. In fact, the Fuelwatch scheme is about costing motorists money. In the major eastern capital cities, motorists take advantage of the weekly fuel cycle and they tend to buy on ‘cheap Tuesday’. In WA, due to FuelWatch, there is now a two-weekly cycle. The cheap day therefore only comes around once a fortnight. With 76 per cent of motorists filling up weekly or more than weekly, there is a large cohort of motorists who are being denied the opportunity to purchase cheaply every week and have to pay a higher price each other week.

Mr Samuel was asked at a press conference on the ACCC’s report into unleaded petrol in December last year how motorists would minimise their petrol costs. He said:

Watch the price cycles and take advantage of them ... [They] can provide significant advantage to consumers.

But not in WA they can’t. If you have to purchase fuel every week, every other week you have to pay a higher price. So, if FuelWatch goes national, huge numbers of motorists will be denied that opportunity.

Mr Keenan—More expensive fuel all over the country.

Mr HARTSUtker—All over the country motorists would be denied that opportunity. There is evidence that FuelWatch in WA has given motorists less choice, not more choice. In an all-party report to the Queensland parliament in 2006, it noted that an independent fuel retailer, Matilda Fuel Supplies, urged the committee not to introduce price mechanisms as in Western Australia because it would be, in their words, a disaster for independents. The CEO of the Service Station Association, Ron Bowden, said of service station operators:
If they’re not sure what the market’s going to be tomorrow, they are naturally going to be conservative and make sure that they don’t have to discount any more than they have to. We think this could actually increase average prices rather than lower them.

Paul Stinton, the former owner of a service station at Mt Lawley, told the *West Australian*:

All my life I’ve been discounting petrol and then all of a sudden FuelWatch appeared and that hurt me so badly it wiped me out. The public don’t realise but the first thing [a national system] would do is to wipe out the independents and take competition out of the market.

To sum up the experience in Western Australia, we find that petrol does not cost less, it costs more. We find that motorists lose out on buying on cheap Tuesdays and have to pay more every other week. We find that independents are priced out of the market and the market becomes less competitive.

Yesterday the Prime Minister was asked by the member for Wentworth whether he was aware of evidence that independents had been disadvantaged by FuelWatch in Western Australia. This was part of his reply. The Prime Minister said:

The key thing is that, when this matter was subjected to analysis by the ACCC, the conclusion was clear that this particular proposal of the government was worthy of implementation.

But let us look at exactly what the ACCC did say in its report on unleaded petrol. It said a number of issues needed to be considered. The ACCC had concerns on the limitations in the analysis already undertaken which might influence the direction of a recommendation. The ACCC was concerned at the effect of a price commitment arrangement on independents. It was concerned as to whether regional and country markets are sufficiently competitive to benefit from increased price transparency. It also expressed the concern that the effect of Fuelwatch on price cycles, and therefore on some consumers’ ability to predict days of the week when prices would be relatively low, would not be enhanced.

With regard to motoring organisations, the RACV said in March this year that it believed that the introduction of a 24-hour rule for petrol pricing as used by the Western Australian government’s FuelWatch scheme would be detrimental for Victorian motorists and would create higher average fuel prices. The RACQ said in April that the government needed independent expert advice that a WA style FuelWatch program really would deliver low fuel prices across Australia. Later in the month the RACQ said:

The Federal Government’s desire to get fuel prices off the newspapers’ front pages—and they certainly had some assistance from the member for Batman this morning—at any cost could be at the expense of most motorists.

And it went on:

If news reports are accurate, the Government has conceded [Fuelwatch] will be difficult to implement, that it is not foolproof, and that it only ‘hopes’ it will deliver cheaper petrol. In effect, the only certainty being offered to motorists is more uncertainty.
Again in April the RAA of South Australia said that most experts pushing the WA FuelWatch scheme seemed to be poorly informed. An Australian Automobile Association press release in March said that an analysis of fuel price cycles in the eastern mainland capital cities reveals that motorists could pay a lot less by buying on cheap Tuesdays.

Let us move to the NRMA. It is an organisation that is oft quoted by the Assistant Treasurer. I must admit that the NRMA is a supporter of Fuelwatch.

Mr Keenan—Surprise, surprise.

Mr HARTSUYKER—Yes, it does support the scheme. There were some interesting comments on Mr Alan Evans, a keen advocate of Fuelwatch on behalf of the Assistant Treasurer. Mr Terry McCrann said of Mr Evans:

Thank goodness for the RACV. Able to use intelligent analysis and common sense to counter the destructive nonsense pumped out by the NRMA’s serial idiot Alan Evans.

Mr Keenan—A direct quote.

Mr HARTSUYKER—It is a direct quote.

Do the voluntary organisations agree with the Prime Minister that the scheme is worthy of implementation? No, they do not indeed. Do the ACCC agree with the Prime Minister that the scheme is worthy of implementation? I do not believe they do. I think at best they are saying there are some very considerable reservations.

Let us look at one more quote that really has resonated today. It is from the Australian about the Minister for Resources and Energy. The good old minister for resources. You can always depend on the minister for resources. The Australian today said:

Mr Ferguson attacked the Fuel Watch scheme as an anti-competitive waste of money and predicted it would leave battlers out of pocket, despite Government claims it would lead to lower fuel prices. “The biggest losers—
I repeat, the biggest losers—
...would again be working families in places like Western Sydney,” Mr Ferguson wrote in a letter to Consumer Affairs Minister Chris Bowen. So, do his Ministers agree with the Prime Minister that the scheme is “worthy of implementation?” Well no, not all of them.

So it seems. The Prime Minister led voters to believe he would bring down fuel prices, he led motorists to believe he was going to bring down fuel prices, but on his watch we have seen prices rise by an average of 17½c a litre since he was elected, the highest on record. He says he cannot do any more. In his infamous Adelaide declaration he said he had done all he physically could to help Australian families. On a local angle, it was interesting to note how my local newspaper, the Coffs Coast Advocate, reacted to that.

They wrote:

Believing Kevin Rudd when he says he has done all he can to control rising household prices is akin to believing there are pixies at the bottom of the garden. Mr Rudd is either totally oblivious to the pain being felt by Australians ... right now or he is a liar.

It is clear that the Prime Minister reached for Fuelwatch like a drowning man clutching at straws—determined to be seen to be doing something about fuel prices when in fact his intention was to do nothing. There are only a few phrases I think you can use to describe Fuelwatch. One is ‘a cruel hoax’; another is ‘a fraud’; another is ‘a confidence trick.’ It is about the Prime Minister attempting to give false hope to battlers who are being hit hard by rising prices. He just needs to consult with his resources minister.

The latest research that has come out shows quite clearly that motorists in Sydney and Melbourne are able to purchase petrol at a cheaper price than motorists in Perth. So what price is Fuelwatch? It is going to cost
motorists right round the country extra money every time they fill their tank. When they drive their Commodore onto the service station driveway, the cost in tax that they pay when they fill their Commodore is around $35. I think this House should, as a matter of principle, believe that the pain of increasing prices should not be borne solely by motorists, by struggling families, by pensioners, by self-funded retirees; it should be borne by the entire community, and that includes corporate Australia and government.

Government has a role to play in bearing its share of the pain of increasing fuel prices. That is why the opposition’s proposal—the only proposal to provide real relief to motorists of some 5c a litre—is so important to Australian families and Australian pensioners. It is giving real relief, not waiting for a committee to report in 18 months time; not another inquiry; and not, potentially, years of negotiation with the states trying to come up with a solution. This proposal is a real reduction for motorists—5c a litre every time they fill their car. It is a proposal that should be taken up by this government as a matter of urgency.

They were elected to office on the basis of putting downward pressure on fuel prices and on the basis of putting downward pressure on grocery prices. Whatever spin the Assistant Treasurer wants to put on this, whatever spin the Prime Minister wants to put on this, and whatever spin the Treasurer wants to put on this, at the end of the day the people of Australia are looking to this government for relief. They are looking to this government to assist them in balancing the family budget. It was they who put the issues of the kitchen table so firmly on the agenda during last year’s election campaign. It is they who are so disappointing the Australian people. I was at a meeting in my electorate just on the weekend and there were quite a number of people who said clearly and unequivocally, ‘We want our votes back.’

The DEPUTY SPEAKER (Hon. BC Scott)—Before I call the next speaker, the member for Cowper accused the Prime Minister of being a liar. I think it would assist the House if he would withdraw that comment.

Mr Hartsuyker—It was a direct quote.

The DEPUTY SPEAKER—It does not matter if it was a direct quote; it would help the House if you would withdraw it.

Mr Hartsuyker—I withdraw the remark.

Mr CLARE (Blaxland) (6.04 pm)—Remember John Howard used to say, ‘Love me or loathe me, at least you know where I stand.’ It is true: love him or loathe him, and you know we loathed him, at least you knew where he stood. You cannot say that about those opposite anymore. They are divided over Kyoto. There are a few over there who still believe that climate change is a fantasy. They are divided over Work Choices. Many could not even bear to go into the chamber to vote on Work Choices. They are still divided over the apology. I seem to remember that there were a couple of MPs who could not even turn up for the apology. They are divided on pensioners as well.

Mr Dutton—I rise on a point of order. It goes to relevance. This is an MPI relating to fuel. The member has certainly strayed from the matter for debate before the parliament at the moment and he should be brought back to order.

The DEPUTY SPEAKER (Hon. BC Scott)—I thank the member for Dickson. I am listening to the member for Blaxland. He has been going for two minutes, but I will be listening closely. The member for Blaxland has the call.

Mr CLARE—The issue that has been canvassed in this chamber today is about division—division over petrol prices, and
that includes the division about petrol prices within your own party. The shadow Treasurer has one opinion in private in email and another position in public. That is the point I am making today. Interestingly, I understand in the joint party room—or maybe it was just the party room—today that there was more division going on. I read in Crikey that half-a-dozen MPs met to demand that the leadership group stay focused on government rather than internal divisions. They were complaining that MPs were failing to keep leadership speculation to themselves.

Mr Keenan—Mr Deputy Speaker, I rise on a point of order on relevance again. This speaker has now been going for four minutes of his allotted time and he has not once mentioned petrol prices, which actually are of relevance to his constituents in Western Sydney.

The DEPUTY SPEAKER—There is no point of order. He was referring to petrol discussions in the joint party room. He did mention the word ‘petrol’. I call the member for Blaxland.

Mr CLARE—Mr Deputy Speaker, I was making that point and I thank you for that wise ruling. It is no wonder that they cannot even make up their minds in the party room because they cannot even make up their own individual minds. The member for Mayo cannot even decide if he wants to stay or he wants to go. One day the member for Wentworth—(Quorum formed) I thank those opposite for giving me a crowd to support me. Just to remind honourable members of what I was saying, it is no wonder they cannot make up their minds over there because they cannot make up their own individual minds.

The DEPUTY SPEAKER—If the members are an audience, they might resume their seats; otherwise, they should leave the chamber.

Mr Dutton—People of taste—out they go!

The DEPUTY SPEAKER—The member for Blaxland has the call.

Mr Dutton—But no audience.

Mr CLARE—That is all right. You just stay there and listen; you will enjoy this. The member for Wentworth flips and flops. He cannot decide whether inflation is a fairytale or a problem. He tells us the sky will fall in if there are extreme spending cuts in the budget, and then on budget night accuses the government of a big-spending budget. Flip-flopping Turnbull turns around again. But he is not the only member opposite who cannot make up his mind, who keeps changing his mind. Remember this bloke: ‘I have never voted Liberal in my life’? I think he is the same bloke who said, ‘I have voted Liberal in every election since 1987, even though in 1988 I rejoined the Labor Party.’

Mr Keenan—Mr Deputy Speaker, I rise on a point of order on relevance. We are now more than halfway through this member’s allotted time and he has not once referred to the substance of this issue, which is the failure of Fuelwatch to bring down petrol prices across Australia. I ask you to actually draw him back to the topic of this MPI.

The DEPUTY SPEAKER—I will rule on the member for Stirling’s point of order. This is a discussion; it is not a question. If you look at practice on this, it has normally been a very wide-ranging discussion rather than a question. But I would remind the member for Blaxland, as I call him, of the discussion before the House. The two members who are having a discussion up there, the member for Eden-Monaro and the member for Fadden, might like to take a seat or leave the chamber.
Mr CLARE—The point I am making is that, love him or loath him, at least with John Howard you knew what he stood for.

Mr Champion—He had conviction.

Mr CLARE—He had conviction. You knew what he stood for. We did not like it and the people of Australia did not like it, but at least you knew what he stood for. Now we have got a Leader of the Opposition who attacks us for having summits and then holds his own summit. He says Work Choices is dead, but then a couple of weeks ago he said John Howard got it right. This is a zombie policy that is coming back to life again. Remember that they had a lot of trouble apologising to people who had been stolen from their families, but they had no problem apologising to the banks by saying, ‘I am sorry that you have to repossess people’s homes.’ That is what happened over the last few weeks. Of all the people to feel sorry for, it should not be the banks. I feel sorry for the 300 families in my electorate who lost their homes last year, not the banks. That is what this Leader of the Opposition said.

Mr Dutton—Mr Deputy Speaker, my point of order is on relevance. What is this? He has rolled out the wrong speech. He has not mentioned fuel once. This is an MPI about Fuelwatch. With only four or five minutes to go in his contribution, he has not mentioned the word ‘fuel’ once. It is unbelievable. The people of Western Sydney would be asking their member to talk about the issue of fuel.

The DEPUTY SPEAKER—The member for Dickson will resume his seat. We do not have a question but a discussion before the House. I once again call the member for Blaxland and remind him of the discussion. He should try and bring his discussion to the matter of public importance.

Mr CLARE—We certainly know where John Howard stood on petrol. He is the former Treasurer who introduced the excise tax in 1978 and he defended it for the next 30 years. But who knows where the Liberal Party really stands on this anymore? Do you have a position on the luxury car tax? I do not know. Do you have a position on means-testing the baby bonus? I do not think so. How long will your petrol policy last? No answer. Maybe you can answer this question for me: are you going to vote against the Fuelwatch legislation?

Mr Lindsay—we are going to vote for lower petrol prices.

Mr CLARE—No answer. They are still smudging. They voted against it today. Are they going to vote against it when it becomes legislation? You would think they should vote for it, because it is Western Australian Liberal Party reform—they are the ones who introduced it. Barry O’Farrell thinks it is a great idea. He said Fuelwatch would ‘ease some of those wild fluctuations in weekly pricing’. Catherine Cusack, the Liberal Party spokesperson for fair trading in the New South Wales upper house, supports it. Good on you, Catherine. You are on the right track. We heard also from Choice magazine. Before the coalition attacked Alan Evans from the NRMA, we heard from him. We know that Alan Evans supports Fuelwatch. He thinks it is a good idea. He thinks it will help people that are out there battling with petrol prices. What about the RAC WA? I think they support it as well. They support it because it will increase competition.

The ACCC conducted an inquiry—we did not ask them to do it; the former government asked them to do it. I think the member for Higgins, the former Treasurer, commissioned the work. What did it say? It found that current conditions were conducive to anticompetitive conduct. That means that petrol companies were passing information between each other but people buying petrol
were none the wiser. They did not have the information they need; they had to rely on pot luck.

I did a little bit of research on fuel today in Sydney. The Leader of the Opposition extolled the virtues of buying petrol on a Tuesday—how important it is, the cheapest day of the week—and said that there were going to be people lining up. I think he described in quite some detail people lining up to get petrol today. I asked myself: how much is petrol today in Sydney? It depends on where you go. The cheapest price is $1.47 and the dearest is $1.62. That is the point. There is a big differential: almost 13c difference in the price depending on which petrol station you turn up at in Sydney today.

Effectively, you have got to rely on pot luck. People are not given the information they need to make the decisions they need to make. After mucking around in the chamber today and trying to delay the vote until after the TVs go to air, the question is: what are you really going to do on Fuelwatch? Are you going to frustrate the legislation? Are you going to pass it in the Senate? I can see members opposite suddenly going very quiet, not wanting to give me an answer one way or another. I just want a yes or a no.

Opposition members interjecting—

Mr CLARE—You will get your chance to speak if you like. Give me a yes or a no. Are you going to vote in favour of the Fuelwatch legislation? Will you pass it through the Senate? They do not want to give us an answer, because they have not decided yet. This goes back to the original comments that I made at the start of my speech today. They are a party divided. They do not know what they stand for anymore. What happened to the party of John Howard—’Love me or loathe me; at least you know where I stand’? What happened to that? It is a bit like the Hydra from Greek mythology: if you cut off the head, two heads rise up; if you cut off the leader, two more leaders rise up; if you cut off the policy, a multitude of other policies rise up. At least with John Howard you knew where you stood. There was not this flip-flopping on climate change, petrol and industrial relations. The only thing they stand for anymore is vote-buying. I never thought I would say this in this chamber, but with John Howard—love him or loathe him—at least you knew where he stood.

Mr DUTTON (Dickson) (6.19 pm)—It is with a great deal of pleasure that I rise to talk on fuel. That is a revelation because, if you listened to the contribution of the previous member, you would have thought this debate was about anything but fuel. Speaking particularly as a person who comes from Western Sydney, where families will, under Fuelwatch, be paying more to fill up their tanks, I think families would be disgusted at the contribution that this person made to this debate. The member for Blaxland embarrassed himself and, I think, frustrated his constituents because he did not address the issue of how Fuelwatch is going to help people, apart from saying that, where petrol varies in price, they are going to fix the higher price. How that is going to be of benefit to constituents in Western Sydney or in outer metropolitan or rural areas—or any areas in Australia—or make a better situation for consumers, for motorists, is way beyond anybody who is part of this debate.

It is important to recognise the history of this debate to understand why it is that the Prime Minister is in a dilemma over petrol at the moment. Before the last election and in the lead-up to this budget, the Prime Minister promised the Australian people that he would bring downward pressure on petrol prices. He promised the Australian public that he would bring downward pressure on grocery prices. And he promised the Australian people he would deliver more affordable home
loans and housing affordability to first home buyers in particular. He has delivered nothing of that promise. The reality is that in the run-up to the election, the Prime Minister and this government knew about the issue of world oil prices. They knew about the way in which prices operate in the domestic market in relation to fuel and the way that people pay at the bowser. They knew all of those external and internal factors at the time that they made a promise to the Australian people that petrol prices would be lower if they voted for Kevin Rudd. The reality is that, six months into this term, this government has thrown its hands up in the air and said there is nothing more practical that they can do to provide assistance to motorists who are suffering at the moment with bowser prices at record highs.

They lifted expectation, they promised the Australian people and they are suffering at the moment as a result of that. It is a very similar story to the way in which they conducted themselves in the inflation debate. They built it up expectation that there was going to be a budget which would cut through government spending and deliver downward pressure on inflation in this country. It did no such thing. They did a similar thing in relation to pensions. They went out to the Australian public before being elected, and since, promising pensioners that they would offer support to people who were finding it difficult to manage their household budget, as pensioners are, understandably, with the pressures of cost of living at the moment. They ramped up expectation that they were going to deliver cheaper prices—both petrol and grocery prices—to pensioners. In this last budget they delivered no such thing. That is why there is so much anger about this very tricky and clever political strategy by the Rudd government in relation to petrol. They ramped up expectation. They promised Australian families, Australian small businesses and the public at large that they would bring downward pressure on interest rates, on inflation and on petrol prices. They failed on all of those counts and that is why we find ourselves having this debate today.

The person we lovingly refer to as ‘cygnet’ on the other side of the chamber—Baby Swan—is in the mould of Daddy Swan, the incompetent Treasurer. He is the person, the genius, who came up with the Fuelwatch scheme. He is the person who authored this disastrous policy. He walked into cabinet and said: ‘Prime Minister, we need a political fix for petrol because we’ve got one big problem out there. We promised the Australian people we would deliver cheaper petrol and we have got no hope of doing so. So how can we cloud this debate? How can we suggest to people that we are doing something when in reality we are doing nothing?’ He had a look at the scheme in Western Australia. He had a look at the only politically viable option that they had, and that was to create this political belief that somehow Fuelwatch was going to deliver cheaper prices across the eastern states where it currently does not operate. Any forensic analysis of the way in which FuelWatch has operated in Perth and in Western Australia over recent years quickly arrives you at the position of realising that petrol has indeed been dearer in Perth than in the eastern states over the time that FuelWatch has operated. This scheme would deliver higher petrol prices to Australian families. That is why this Rudd government should be condemned.

There is no doubting that this is a clever and tricky political manoeuvre but it is certainly in the avenue of style and not substance, which this government has come to stand for. This is a clever and tricky political strategy by a clever and tricky political Prime Minister but it is not going to deliver one cent in savings at the bowser for Australian motorists. The Prime Minister in ques-
tion time today refused to take up the opportunity to say that motorists would not be worse off financially under this Fuelwatch scheme if it is implemented eventually by this government.

There are people who have different views about Fuelwatch. One of the most informed views as part of this debate is indeed from the Minister for Resources and Energy. The minister for energy, with the resources of his department, has researched Fuelwatch. He, like other cabinet ministers, including the Minister for Finance and Deregulation and the Minister for Small Business, Independent Contractors and the Service Economy—and no doubt others, of whom we are not yet aware—opposed this policy in cabinet. They opposed this policy in cabinet and they opposed it, in the case of the minister for energy, in writing as well. He felt so aggrieved by this Fuelwatch scheme that he put his concerns in writing to the Treasurer, to the Prime Minister and to the Assistant Treasurer. Having researched this scheme, he realised that it would reduce competition in the marketplace, that it would take away the cheaper day in the cycle that particularly low-income motorists use to fuel up their cars under the current system and that it would have a negative impact overall on Australian motorists.

As part of his budget reply speech, the Leader of the Opposition realised that the only way the federal government can have downward pressure on fuel prices is to reduce the excise. The reality is that, with his announcement of 5c, he has caught this Prime Minister out, because the public understand now that this Fuelwatch scheme is nothing more than a political stunt. It was extended over the last couple of days by sending off the issue of GST on excise to the Henry review, which will not report back for 18 months. Families are suffering at the moment and they cannot be told that they need to wait another 18 months before there is any possibility of them receiving some sort of relief in the amount of money that they have to pay to fill their cars with petrol. That shows how cynical this Prime Minister is, it shows how he is not concerned legitimately about the pressures that apply to families at the moment and it shows that he has squibbed his only opportunity to bring downward pressure on petrol prices—that is, by adopting the stance of the Leader of the Opposition to reduce the excise.

This government says that the opposition does not have a right to talk about bringing excise down. But they realise that it was this opposition when in government, under John Howard and Peter Costello, that froze excise in 2001 and that reduced the excise in the year 2000 when the GST was implemented as part of the new tax system. Had we not done that, petrol today would be almost 18c per litre dearer than it is at the bowser for families. So I say to families: when you are filling up your car tonight, add 18c a litre, because if it were not for the action on excise by the coalition government over the last few years, those petrol tanks would be 18c a litre more expensive to fill up today than they are at the present time.

The reality is that this is a government that realises that if they are to deliver on their promise of reducing petrol prices they have to cut excise. They do not have any other power. Fuelwatch is a political stunt that has been dreamt up by an Assistant Treasurer desperate for attention, because he knows the Treasurer is a person that probably will not see another budget and he is auditioning for that position, like the Minister for Finance and Deregulation at the moment. They are both auditioning and trying very hard for the position of Treasurer. Fuelwatch is a political stunt. (Time expired)
Mr BRADBURY (Lindsay) (6.30 pm)—I am always pleased to speak on the issue of petrol prices because it is a matter of tremendous significance in my electorate of Lindsay. There has been much discussion today about the impact that petrol prices are having on residents in Western Sydney. I am pleased to be able to contribute to the debate and to bring forward some of the views that I have picked up in my discussions with people throughout my local community. I was interested to see a bit earlier in the debate on the censure motion the member for Wentworth come forward and embark upon a discussion about how petrol prices and Fuelwatch would cripple the working families of Western Sydney. As I saw the member for Wentworth talking about the working families of Western Sydney, it almost sounded like a David Attenborough documentary—talking about some exotic species in a far and distant place that he had encountered once or twice before on his travels to the outer west. Unfortunately though, as brief as those encounters may have been, the member for Wentworth has very little understanding of the issues affecting families and all residents in parts of the world such as Western Sydney.

In the discussions I have had with local residents in my community over many years, when it comes to the issue of petrol prices one of the single biggest issues that they raise is the fluctuations in petrol price. The fact that you can leave home in the morning and the price of petrol is set at one price and on the way home that evening it can be 10c, 15c or 20c more expensive is a real issue for families. I know that those on the other side say ‘Cheap Tuesday. Cheap Tuesday is what you currently have access to, but if we had Fuelwatch then you would not get cheap Tuesday’. As much as people do flock towards service stations when prices are cheaper, the reality is that people do not only fill up their cars once a week, particularly in parts of the world such as Western Sydney where you are travelling many—and in some cases hundreds of—kilometres each week. The convenience of filling up on Tuesday is something that cannot always be accommodated within the daily lives of working people. If you do happen to need to fill up a little bit later in the week, it is not a matter of saying, ‘We will just not go anywhere till Tuesday. Cancel the swimming lessons on Saturday. We are not going to the footy on Sunday. We are going to wait till Tuesday when we can fill the car up again.’

These are the realities of what is going on out there in the real world. This is a very artificial debate that we are hearing today. A lot has been said by those on the other side, but the one thing that these people have not said is where they stand. Do they support Fuelwatch or are they going to vote against it? They have not said that. They have had 25 minutes in this debate to articulate their position. We are still waiting. I am looking with some anticipation, in the hope that if it is the member for Stirling that is to follow then he may bring forward the pearls of wisdom that will enlighten us as to what the opposition’s thinking is.

Government members interjecting—

Mr BRADBURY—Apparently he does not want to. In my local community, people have welcomed the prospect of Fuelwatch. I will quote from a local newspaper an opinion piece written by one of the local editors shortly after the Assistant Treasurer and the Prime Minister announced Fuelwatch in the Lindsay electorate. Mr Bernard Bratusa, the editor of the Western Weekender, on 17 April 2008—and I have to say that Mr Bratusa and I do not always agree—aptly articulated the perspective of the residents of Western Sydney with these comments:
Assistant Treasurer Chris Bowen was on the money when he identified the ‘daily fluctuation’ frustration—

I will just pull that part of the quote out: ‘the daily fluctuation frustration’. I think Bernard Bratusa has actually hit the nail on the head. That is the source of so much anger and so much discontent in the community. That will be one of the evils that this particular proposal—Fuelwatch—will strike at the very heart of. That is why I support it. The quote continues:

… the daily fluctuation frustration shared by all motorists with pump prices increasing by upwards of 15 cents a litre from the morning drive to the evening crawl. Clever really, in the morning we bust our butts to get to work showing little regard for the fuel tank needle thinking (more so hoping) the pump price will hold for the return trip. Never happens.

These are the comments of someone who lives in the real world, someone who lives in the outer suburbs of Sydney, someone who has a family, goes about the business of their daily lives and understands in a very real sense the impact that petrol prices are having on families throughout this country, but particularly in areas such as Western Sydney. These are the people who have embraced and endorsed our proposal for Fuelwatch. I am not receiving any complaints from those people, and I would be willing to bet that those on the other side are in the same boat. That is why, when there was a suggestion today that they had voted against Fuelwatch, so many of them were scrambling to try to deny that that had occurred—scrambling to deny that that is what they had just done. The reality is that they might be told what to do in this place but at some point they have to go back to their electorates. When they do, the people in their electorates will be telling them the same thing as the people in my electorate—that is, they want more competition. They want a government that is going
to be prepared to give the ACCC the powers that we have granted it—the powers that those on the other side were afraid to give. They were afraid to give them because they are anti competition. They have never supported competition. The Labor Party has always been the party of competition. That is why we are extending that commitment to competition through Fuelwatch. Why is it that consumers in my electorate should have less information in the marketplace than the people setting the prices? That is something we intend to tackle. We want to give the consumer the power to know where the cheapest prices are. Having an informed consumer in an informed marketplace is how you will achieve competition.

The fuel companies may well not want to see that happen. But we are not here to represent sectional interests; we are here to represent the broadest cross-section of people in the community. There are people who are not being given that access and they are the people we are here to represent. They are the people for whom Fuelwatch provides some comfort and relief, because at least they will know where the cheapest prices are.

I have to say that the whole notion of Fuelwatch seems to be something that the Leader of the Opposition is struggling to come to terms with. I think that the reality of why that is the case is that Fuelwatch is not a thing that is occupying his attention at the moment—it is actually ‘Malcolm watch’. In the same way that intense scrutiny of petrol prices is one way to keep them honest, he is looking over his shoulder on ‘Malcolm watch’. He is making sure he keeps a close eye on the one person in this place who is doing the best job of undermining his leadership.

When it comes to alternative proposals or alternative policies, the people on the other side know—the member for Higgins, who
sits there for a few very brief moments throughout the day, and the member for Mayo know—that this is a fantasy and this 5c cut is illusory. It is illusory because it will be sucked up before they make the cut, but of course they never will.

Those on the other side were pretty good at spending money when they were in government but they seem even better at doing it when they are in opposition—raiding the surplus to get their greasy hands on that $8 billion in order to achieve this so-called cut, which we all know will deliver no relief and no benefit in the long term and certainly not in the medium term. This is the sort of opportunism that we have come to see as being very much a part of the approach that the opposition, as they now are, have embraced. I can understand that the Leader of the Opposition needs to try to consolidate his leadership, but surely this sort of short-term, short-sighted policy, which will achieve no real benefits in the longer term, is not the way for him to be demonstrating to the residents of places like Western Sydney that he is a serious economic manager and someone who is capable of running this country. That is somewhere where this government has demonstrated that it is prepared to run this economy in a reasonable and sensible way and in a financially viable way.

Mr KEENAN (Stirling) (6.40 pm)—In politics, as in life, we reap what we sow. Having promised the Australian people that they will bring down petrol prices in the lead up to the last election, the Rudd government is now reaping the barren harvest of their empty rhetoric.

It is extraordinary that we have a Prime Minister who so readily dismisses the concerns of average Australians and who is prepared to wave the white flag without ever making a serious attempt to address the issues that just six months ago he was labeling as core business for this new government. The Prime Minister did that when he made his Adelaide declaration. In it he shamelessly said that the Labor government had done as much as it physically could to provide additional help to the family budget. That is an extraordinary thing to say, considering that they have done absolutely nothing about the things that they were raising as issues prior to the last election. But now that they are elected, they are not interested. They are just waving the white flag and saying, ‘There is nothing further that we can do.’

The issue of the rising price of petrol provides a perfect metaphor for this government and the way that it operates. They raise an issue, then they feign concern about that issue, then they make some gesture—in this case the ludicrous Fuelwatch scheme—and then they blithely move onto the next thing without ever making one iota of difference to the problem that they first identified.

This is why we have a Prime Minister who seems to have invented his own language and finds it increasingly difficult to talk in plain English as he struggles with issues that he obviously does not understand or comprehend. This is why he never seems to know the detail of his own government’s policies and why he obviously fails to understand the consequences of the decisions that his government takes. This is why, I think, he reverts to this bureaucratically based language. It is something that, on the surface, is relatively funny, but it is something that ultimately protects him from ever stating a clear view. It is a language that always allows him to hedge his bets and it makes him never responsible for things. That is why he always says things like ‘I am advised,’ and it is why he does not have relatively simple facts to hand about his own government’s policies. This is why we get ridiculous policies such as Fuelwatch. This is a scheme that has been brutally unmasked by the resources
minister today—a minister who often stands out, I think, as a beacon of common sense on the other side and who actually takes the time to understand the consequences of the decisions that cabinet makes.

Members will know that this scheme has been in operation in Western Australia for some time. I asked retailers in Stirling what they thought of the Fuelwatch scheme. One independent retailer gave me the example—

Mr Bowen interjecting—

Mr KEENAN—I would be very interested if the Assistant Treasurer wants to respond to this. The independent retailer furnished me with the example of how he asked the authority that oversees this scheme whether he could decrease his petrol prices at the pump. This authority said that if you were to decrease your petrol prices, they would fine you for it. This is the ridiculous policy that this government now wants to impose on the whole of Australia. What an absolute farce.

This is a scheme that will not bring fuel prices down. You do not need to take my word for it. Let’s see what the Minister for Resources and Energy has to say. He actually understands a thing or two about the way the world works. He is the minister who wrote to the Prime Minister, to the finance minister, to the Treasurer and to the Assistant Treasurer to expose this policy as anticompetitive, a waste of taxpayers’ money and a policy that will not lead to lower prices. This is a very important point to make for the Assistant Treasurer and the members for Blaxland and Lindsay. He also said that the biggest losers from this policy will be working families in places like Western Sydney. So the resources minister in this government has confirmed what we already know and what is slowly being revealed to the Australian people: that there is always a yawning gap between what this government says and what this government does.

This is a Prime Minister and a government that made promises to Australian families to bring down the price of petrol, and it has completely and utterly failed to implement that promise. Now they have raised the white flag and said, ‘There’s nothing more we can do about it.’ Australians deserve better than this. They deserve more than spin and stunts. They deserve a government that stands up for their interests and does something about the rising price of petrol. (Time expired)

Ms JACKSON (Hasluck) (6.45 pm)—What an extraordinary fatuous contribution that was by the member for Stirling. And it was a disappointing one from a fellow Western Australian. I think it is indicative of the standing of shadows ministers like the member for Stirling and the member for Dickson that they cannot get a question in question time. The only time they can get into a debate in this House is to take up the valuable time of backbenchers on a fatuous MPI such as this. It is an extraordinary MPI in some respects because it appears to be attacking the failure of Fuelwatch to achieve a particular outcome. I might just inform the member that, unless I have missed something, the national Fuelwatch scheme has not yet been introduced. It is something we are hoping to have introduced by December.

Mr Keenan interjecting—

Ms JACKSON—The member for Stirling interjects and says, ‘We’re referring to Western Australia.’ Let us talk about Western Australia, because it seems apparent to me that members opposite just do not understand how the scheme works in Western Australia and how Fuelwatch is supposed to work. It is a comprehensive fuel price monitoring and reporting system. It places an obligation on petrol stations to advise consumers about the next day’s fuel prices. It allows the informa-
tion to be made public—that is, available to consumers—to allow consumers to make an informed purchasing decision about the purchase of their fuel. I am at a loss to understand what it is about that monitoring and reporting service that is so reprehensible to members of the opposition.

It may help members opposite if they go and visit the website that has been made available by the government—www.fuelwatch.wa.gov.au—to see how the scheme actually works in Western Australia. As a WA member of this House representing an outer-suburban seat, I can inform the House that many of my constituents regularly utilise the FuelWatch scheme in Western Australia. Ironically it was implemented by the then Liberal state government with bipartisan support in early 2001—an election commitment prior to the February 2001 election. It still receives bipartisan support. It is a popular consumer tool in Western Australia.

Just to give you an indication of how popular it is, not only does the website get over 200,000 hits per month but there are over 30,000 people who subscribe to the email service alerting people to prices and FuelWatch is actually shown during the evening news on the commercial TV stations in Perth. Because it is so popular, the commercial TV stations know that the people who watch their channels are very interested in the information that FuelWatch provides. It allows them to make a better choice about where they purchase their fuel. It allows them to make sure they are not ripped off by local service stations. You can sit there the night before and make a decision about which particular direction or route you are going to take in the morning to go to work so that you can go past the petrol station with the lowest prices that day. Or you can make sure that the direction you take to pick up the kids allows you to go past the petrol station with the lowest prices in your local suburb.

Daily prices of petrol in Perth can fluctuate as much as 15c to 20c per litre, and if motorists can go and shop where they can make savings of that size it is a valuable contribution for them. It creates an opportunity for greater information and greater choice about where a motorist—that is, a consumer—chooses to purchase fuel. It is not guesswork. It is not a matter of hoping, ‘Today I’ll drive past that petrol station and prices will be lower.’ It is published data and, contrary to the rhetoric we have had from members opposite, there is simply no independent advice that has reached a conclusion that FuelWatch increases the price at any end or any time in the fuel cycle. On the contrary, the only thorough examination of the scheme, as members have heard today, was one undertaken by the ACCC. That examination concluded that the government should consider implementing the scheme nationally. (Time expired)

The DEPUTY SPEAKER (Mr S Sidebottom)—The time allocated for this debate has now expired and the discussion has concluded.

TAX LAWS AMENDMENT (BUDGET MEASURES) BILL 2008

First Reading

Bill and explanatory memorandum presented by Mr Swan.

Bill read a first time.

Second Reading

Mr Swan (Lilley—Treasurer) (6.50 pm)—I move:

That this bill be now read a second time.

This bill makes a number of important improvements to the tax law.

First, it improves the fairness and integrity of the fringe benefits tax system.
Second, it restores the intent of the tax treatment of employee share scheme arrangements.

And third, it aligns the period over which taxpayers can write-off depreciable in-house software with that for computer hardware.

These measures are part of a budget that has delivered significant reform of tax expenditures to improve productivity, fairness and integrity in the tax system.

The government has moved with the times on this.

A major theme of the 2020 Summit was the need for a tax system that is fair, simple and efficient.

I quote the following from the initial summit report:

Australia needs a tax system that supports the global competitiveness of our economy, provides incentives, minimises distortions and supports fiscal responsibility.

Reforming tax concessions is an important step in this direction.

This bill restores the original intent of the FBT law by tightening the arrangements for eligible work related items, and property consumed on an employer’s premises.

The FBT law currently exempts certain work related items.

With the exception of mobile phones, computer software and protective clothing, there is no requirement that these items be used for work purposes in order to be FBT exempt.

The FBT exemption was introduced in 1995. At the time it was thought that generally any private use would be incidental.

Since then, changes in technology have meant that certain items are commonly acquired for personal use.

Laptops are one example.

The FBT exemption allows employees to enter into tax-effective arrangements to acquire these items out of their pre-tax income.

The amendments restore the original policy intent to restrict the FBT exemption to items used primarily for employment.

The exemption will also be limited to one item of each type per employee each FBT year, unless it is a replacement item.

The list of eligible work related items will also be updated for technological changes.

This will remove uncertainty for taxpayers, industry and the Australian Taxation Office as to whether electronic devices with more than one function are FBT exempt.

The amendments also remove depreciation for FBT exempt items purchased after 7.30 pm Australian Eastern Standard Time 13 May 2008.

This addresses a double tax benefit under the existing law whereby an employee can claim depreciation for an item that is also FBT free.

For items purchased before that time, depreciation will be removed for the 2008-09 and later income years.

The government is also tightening the FBT exemption for the private use of business property.

With a meal card, an employer pays for employee meals provided by a third party located on, or delivering to, the employer’s premises.

An employee can salary sacrifice a meal card to purchase lunch, coffee and other consumption items out of their pre-tax income.

The amendments will exclude meals from the FBT exemption where they are provided as part of a salary sacrifice arrangement.

This restores the intended policy and improves equity in the treatment of employee remuneration.
Genuine staff canteens will not be affected.

The measure may also promote greater competition between meal providers.

This is because it removes a disincentive for employees to shop around for the best price or quality available for meals.

The bill also amends the income tax law to close a loophole in the employee share scheme provisions and addresses double taxation.

Amending the election requirements in the employee share scheme provisions will stop taxpayers manipulating when they have a tax liability for discounts on employee shares or rights.

This will ensure discounts are properly included in assessable income.

An employee will be required to make an election by including the value of the discount in their income tax return.

The amount must be included in the income year they acquire the shares or rights.

The second change will remove double taxation where certain employee share schemes use an employee share trust.

The amendments will ensure that the trustee or beneficiary of the trust can access CGT relief.

Schedule 2 amends the tax law to extend the write-off period for in-house software from 2½ to four years.

This is the same as the tax commissioner’s safe harbour period for computer hardware.

The amount deductible is unchanged, but the write-off period is extended by 18 months.

If the software is scrapped before four years, the business will still get an immediate write-off for the remainder under the existing tax law.

Small businesses are generally not likely to be impacted by the measure.

Businesses that pay an annual licence fee for their software generally won’t be affected.

The amendments in this bill help restore fairness to the tax system and contribute to funding the government’s key priorities for the future.

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

Debate (on motion by Mr Hartsuyker) adjourned.

TAX LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) 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) (6.56 pm)—I move:

That this bill be now read a second time.

This bill will increase the Medicare levy low-income thresholds for individuals and families in line with increases in the consumer price index. The low-income threshold in the Medicare levy surcharge provisions will similarly be increased. These changes will ensure that low-income individuals and families will continue to be exempt from the Medicare levy or surcharge.

The bill will also increase the Medicare levy threshold for pensioners below age pension age to ensure that where these pensioners do not have an income tax liability, they will also not have a Medicare levy liability.

The amendments will apply to the 2007-08 year of income and later income years.
Full details of the measures in this bill are contained in the explanatory memorandum.

I commend this bill to the House.

Debate (on motion by Mr Hartsuyker) adjourned.

TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE THRESHOLDS) 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) (6.58 pm)—I move:

That this bill be now read a second time.

This bill will increase the Medicare levy surcharge thresholds for individuals and families.

The Medicare levy surcharge imposes a one per cent increase in Medicare levy liability on certain individuals who do not have appropriate private patient hospital cover. For the 2007-08 income year individuals with taxable income over $50,000 and couples with a combined income over $100,000 may be liable for the surcharge.

This bill increases these thresholds to $100,000 for singles and to $150,000 for couples and families.

The Medicare levy surcharge imposes an additional one per cent Medicare levy on taxpayers who do not have private patient hospital cover.

When the Medicare levy surcharge was introduced, the policy at the time was targeted at high-income earners.

At the time, the then health minister Michael Wooldridge said:

High income earners will be asked to pay a Medicare levy surcharge if they do not have private health insurance. These are the people who can afford to purchase health insurance.

But the income thresholds for the Medicare levy surcharge have not been increased since 1997 and since 1997, of course, average weekly earnings have increased significantly.

This measure simply increases the thresholds to an income level around which they originally applied in 1997.

In his address-in-reply to the budget, the honourable Leader of the Opposition, Dr Nelson, addressed a whole section of his budget reply to rail against tax bracket creep.

He said:

We know that, as incomes rise over time, and workers move into higher tax brackets, the value of income tax cuts will be eroded in the future. Economists call this “bracket creep”. We call it tax increases on the sly.

What the honourable Leader of the Opposition has ignored is that more and more people on average wages have also been required to pay this tax, the Medicare surcharge. That is, bracket creep has done them in.

To put this into perspective, around eight per cent of single taxpayers are estimated to have exceeded the Medicare levy surcharge threshold in 1997-98, when this was introduced.

Under the changes announced in this budget this proportion will be restored to around 8½ per cent—at the end of the forward estimates—of single taxpayers likely to exceed the new singles threshold in three to four years. That is eight per cent in 1997 and eight per cent in 2008. If we did not act, the proportion would be much closer to 50 per cent.

The increase in the thresholds will help reduce financial pressure on many working
families who would have previously been subject to the Medicare levy surcharge.

I noticed that the shadow Treasurer, in his address to the National Press Club, said that this budget limited choice and that the Liberal Party was the party of choice. I would have thought the party of choice would support lifting a tax on people who are not high-income earners which is designed to force them into certain behaviour. People on $50,000 a year should have a choice about how they spend their money and not be taxed as a result of government policy.

This measure provides real choice. Taxpayers can choose whether to take out private health insurance without the imposition of high penalty fees unless they are on high incomes.

The amendments will apply to the 2008-09 year of income and later income years.

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 Mr Hartsuyker) adjourned.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Order of the day returned from Main Committee; certified copy of the report presented.

Ordered that the order of the day be considered immediately.

The DEPUTY SPEAKER (Mr S Sidebottom)—The question is that the address be agreed to.

Question agreed to.

APPROPRIATION BILL (No. 1) 2008-2009
APPROPRIATION BILL (No. 2) 2008-2009
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2008-2009
APPROPRIATION BILL (No. 5) 2007-2008
APPROPRIATION BILL (No. 6) 2007-2008

Referred to Main Committee

Mr PRICE (Chifley) (7.02 pm)—by leave—I move:

That the bills be referred to the Main Committee for further consideration.

Question agreed to.

APPROPRIATION BILL (No. 1) 2008-2009

Cognate bills:

APPROPRIATION BILL (No. 2) 2008-2009
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2008-2009
APPROPRIATION BILL (No. 5) 2007-2008
APPROPRIATION BILL (No. 6) 2007-2008

Second Reading

Debate resumed from 26 May, on motion by Mr Swan:

That this bill be now read a second time.

Mr SIMPKINS (Cowan) (7.04 pm)—Last night I spoke of the collapse of consumer confidence from 123.9 points in May 2007 to 89.8 points in May 2008. I think that this is hardly a vote of confidence in the new government if, only three months into the new government, Australians have already become pessimists rather than optimists. It has not come to pass that Australians are saying, ‘Kevin Rudd is Prime Minister; every-
thing will be okay.’ No, the exact opposite has occurred. Australians have no confidence that this government can improve the economy and the lives of all Australians, and the evidence is there in the consumer confidence index.

But why is it so? Why do Australians have no confidence in the future? Is it because petrol prices continue to climb rapidly? No-one would deny that fact. Last week I filled our car at the local petrol station at 155.9c a litre, so that was around $90 to fill the tank. The Hazelbrouck family in Cowan just bought a four-wheel drive so that the family can travel around Australia for their big trip of a lifetime: $230 to fill that vehicle up.

Then there is the Pugh family in my electorate. Anne drives a Ford Focus, a very small car, but she said they now think a lot about where they drive and whether it is absolutely necessary to go there. Luckily, Steve Pugh rides his pushbike a lot.

But let us leave aside the narrow focus on working families. The truly tragic part of this is: what do pensioners do? The majority of pensioners cannot hop on a pushbike. Some of them cannot even walk very far. Those who can drive would be in, for example, 1.5-cylinder vehicles with a fuel tank of 45 litres. With petrol at $1.50, that is $67.50 per tank; at $1.60, that is $72 per tank. So filling a petrol tank is a difficult cost for a single pensioner on $546.80 per fortnight, especially after rent, which can be as much as $300 per fortnight in Perth.

It was not this way in the past. All the hype and expectations of the government have not seen any reduction in petrol prices, or gas or diesel prices. Of all the people that come to my office, email or speak to me in the street about fuel prices, not one has ever said that the prices reduced with the arrival of the Rudd government. I really have trouble finding a family, couple or person living by themselves in Cowan that feels that any progress has been made under the Rudd government. Even the Prime Minister, when talking about petrol and other costs of living, said of his government: We have done as much as we physically can to provide additional help to the family budget …

It is clear from these words that the tax cuts provided by the good economic management of Peter Costello, the one-off payments made to pensioners and the childcare rebate are all that there is. That is all that the government have for the people of Australia. They have had 100 talkfests, committees, inquiries, reviews, forums et cetera, and they are out of ideas. That is it, is it? I wonder what would have happened if Brendan Nelson had not fought the government over the one-off payments for pensioners. If it was not for Brendan Nelson, this mean government would not even have made that payment. If the previous government had not created the original childcare rebate scheme, I really wonder what this current government would have come up with. The only positive move was on an idea of the former government that was saved by Brendan Nelson.

We have seen that the price of petrol continues to spiral, while the government is out of ideas that it can steal from the previous government. That is not the end of the harsh reality for Australian families, couples and singles. The price of bread, milk, eggs, vegetables, fruit and meat continues to rise. Percy Bleacher, a pensioner of Marangaroo, showed me a couple of lamb chops priced at $20 a kilo, so even lamb is becoming a luxury for older Australians now. At my local supermarkets, milk is up around $3.50, on average, for two litres. None of these reviews or inquiries have put the breaks on these very real price increases in basic foods, so it is no
wonder consumer confidence is at its lowest level since Paul Keating was Prime Minister.

Moving on to more specific impacts that this government has had in Cowan, I need to talk about housing. This is a challenge that requires vision and lateral thinking, yet, for all the talk by the ALP before the election, not once before or since the election has the ALP confronted the shortcomings of the state governments with regard to land releases, stamp duty, state charges and public housing management. With regard to state housing, I note that the waiting list in WA has now blown out to 17,000—17,000 individuals or families without access to public housing. That is without consideration of shifting the eligibility criteria for state housing, given that there are families that earn too much to qualify for state housing but not enough to pay for private rentals. I mentioned before that some pensioners are paying up to $300 per fortnight or more in rent, and I would like to mention the very real circumstances of Mr Ronald Pumphrey. He pays $240 a fortnight in rent. He shares a house at a rent of $480 per fortnight, and he gets $71 in rent assistance. There is a big difference there.

The official interest rate is now up to 7.25 per cent, which is 0.5 percentage points higher than at the election. The promised big spending cuts did not materialise. The tough talk was nothing but an illusion. Real cuts became increased spending, with plenty more to come in the future, and future spending will come from the interest and the capital of the infrastructure fund and the higher education fund. Some families and individuals are doing it very tough at the moment. Since the Rudd government was elected, the only thing that has gone down is confidence, while the cost of housing, petrol and food continues to increase. What should also be of great concern is that this budget forecasts an increase in unemployment. An additional 134,000 people are expected to be out of work in the next financial year. I do not want anyone in my electorate to lose their job, because being unemployed will make their lives far worse with the cost of housing, groceries and transport.

Beyond the individual hardships which have not been fixed by this budget, I also wish to speak on a number of absences and changes to existing programs in the budget and on the effect that they will have on Cowan. I would like to start with the ALP’s election promises for Cowan, which I cannot find anywhere in the budget. I cannot find specific reference to the Hepburn Avenue extension at Ballajura, at $5 million; the dual carriageway upgrade of Hepburn Avenue at Alexander Heights, at $5 million; or the $10 million for the overpass at the intersection of Alexander Avenue and the Reid Highway. I note that the Premier of Western Australia suggested in July last year, after this promise, that work could start in the first half of this year. I note that Premier Carpenter is very silent on the matter these days. It is not there. I also note that it is a struggle to find reference to a $2 million grant for a stadium at Woodvale Senior High School or a $500,000 grant for a drop-in centre for youth in Ballajura. The other commitment was for a footbridge at Banksia Grove at $1 million—which the local residents, like community leader Geoff Westlake, do not actually want; what they do want is a solution to the safety problems for schoolchildren crossing Joondalup Drive. I find it very disappointing that these commitments were not funded as line items in the budget and I will, of course, continue to remind the voters of Cowan about all the shortfalls in promises made in the election.

The next matter that I would like to refer to is the axing of the highly regarded Investing in Our Schools program, or IOSP. As part of the election campaign, the Howard government committed to its extension. While
the now Prime Minister spoke well of it at the time, IOSP did not survive the Rudd government. A couple of weeks ago I was speaking to Janine Egan, a P&C member at the new Hocking Primary School in my electorate. Janine was telling me how disappointed they were that IOSP was cut by the Rudd government. The parents wanted to install air conditioning or cooling in the school. As anyone who has visited Perth can testify, the place gets very hot in summer. Air conditioning is not provided in Perth schools by the state government, and therefore P&Cs have to raise funds to provide it. For Hocking Primary’s P&C to raise $100,000 or $150,000 to cool the whole school, it will take them around 10 years of sausage sizzles and other fundraisers to get the job done. By way of example, IOSP came through for the South Ballajura Primary School in 2006, providing $150,000 for cooling. The P&C in South Ballajura would never have been able to raise that amount of money. The other losers from this decision will be the new high school at Darch, Greenwood Primary School, Neerabup Primary School and Tapping Primary School, which could have achieved much more under a continuing IOSP.

Often IOSP provided funding to deal with the heat problems in Perth, so it is appropriate that I move next to the solar panel rebate decision by the Rudd government. It has been a theme of this government that they wish to precisely define who is rich and to ensure that they pay more or get less from the government. It started with persons over a specific amount of income not getting the whole of the Costello tax cuts. The Rudd government put a figure out to define the rich there. Then there was a figure put out for the family tax benefit eligibility. Then there was the supposedly luxury car tax, or ‘Tarrago tax’, which included people movers. If you want a car worth over $57,000 then, again, you are rich according to the government.

But it is with regard to the solar panel rebate being capped to only those under a joint income of $100,000 that this defined rich list becomes totally ridiculous. I have been approached by the Mackay family, who tell me that they signed up on budget day for $20,000 worth of solar panels—or one kilowatt of production power. With the rebate they could have afforded it; they wanted to make a contribution to the fight against climate change. They cannot now afford the whole $20,000 and so have cancelled the contract. I also received a message from noted and well respected environmental volunteer John Chester, whose e-mail said:

Means-testing the federal government’s $8,000 rebate on grid-connected photovoltaic systems is a most regressive step. Rich or poor, we all need incentives to move toward an environmentally sustainable future. The only outcome that matters in the long run is the continued and preferably accelerated uptake of photovoltaic systems by all households throughout the country. These systems produce their energy without burning fossil fuels and therefore don’t add to greenhouse gas emissions and also take considerable pressure off the country’s overloaded power distribution and generating infrastructure, particularly during daytime peak load periods.

Given John Chester’s comments, I say that this Rudd government decision is wrong, it is bad for the environment and should be reversed immediately.

From the solar panel fiasco, it is appropriate that I move on to another concern for the environment. I speak to this point on behalf of the Friends of Lightning Swamp and their president, John Williams. John and I have been speaking about groundwater contamination issues in the south-east of Cowan, but on this occasion he emailed me about the impact of the Rudd government’s Caring for Country program. He tells me that under the
Howard government there was important funding for the Swan Catchment Council. The SCC undertook critical water monitoring to check the health of drainage flows and streams which pass through environmentally significant bushland, wetlands et cetera. Yet the funding for this work has been cut because the Rudd government’s Caring for Country program has replaced the former government’s program. The state government has used this policy as an excuse not to allocate any further support funding. The services provided by the regional catchments, such as SCC, benefit the state, yet the state in this case will not provide support funding with these changes at the federal level. John Williams believes this Rudd government decision will result in the funding for water monitoring programs being halved from July 2008.

Another undesirable outcome will be that, due to the cut in funding, only one SCC officer will service the north and south catchments—Lightning Swamp is in the north catchment. The consequence of these limited resources and funding for sampling will be a substantial reduction in the number of sites to be sampled yearly, and there will be no possibility for any additional sites to be included. The water monitoring programs are vital and the great success of the previous government’s programs was that the money was provided to organisations to have people on the ground doing the critical jobs. This is another budget failure for the hard-working individuals and environmental groups doing excellent work out there in environmentally sensitive areas in Cowan and in Australia.

There is an often referred to line from Shakespeare, which has been slightly modified for modern language. It says ‘all that glitters is not gold’. I do not think too many people really saw this budget as glittering in terms of an improved life for your average Australian, but perhaps the glitter was to be the responsible budget that was to deal with inflation. Yet spending has increased across the estimates. This budget has stimulated the economy so, with what I have covered earlier, this budget has failed because it has not reduced inflationary pressures. But to come back to my point at the start of my speech, running an economy has to have an outcome on the streets of Australia. Aged pensioners like Ronald Pompfrey and others like Agnes Smith and Doris Arena in Girrawheen have to be better off. The budget must leave them in a stronger position after recognising the costs of living. Self-funded retirees like Marie Westlake and Bonnie Hull must be better off. Families like the Loubikis family in Girrawheen and the Pugh family in Warwick must be better off. This is the real test of an economy: are the people really better off once all the factors of cost of living and employment are considered? The answer to this budget is no. The consumer confidence index shows that Australians are very worried about the future—and they should be, given this budget has failed to improve the lives of every category of people in this country.

Mr CHAMPION (Wakefield) (7.19 pm)—I am pleased to be speaking in favour of the Appropriation Bill (No. 1) 2008-2009 and its cognate bills, and I note that they allow the government to deliver the budget and important services to the Australian people and the people of Wakefield. It is worth noting the context in which this budget has been framed. That necessarily involves the basic examination of the previous government’s record. The record of the previous government is defined by three facts: it produced the lowest productivity in 17 years, the highest domestic inflation in 16 years and eight interest rate rises in three years. Those economic conditions particularly cost working families, pensioners and those on fixed incomes—and there are many of those in the
electorate of Wakefield. These economic conditions, along with radical industrial relations laws, cost the coalition government. In framing the budget, we must also acknowledge the difficult international environment we face: a credit crisis and the prospect of a US economy that is stalling; the rising cost of credit to banks and to consumers; and, contrasted to and contradicted by this, the high rate of growth in China and India; rising commodity, petrol and food prices; and a rising Australian dollar that places pressure on our manufacturing exporters.

The Rudd government’s first budget is framed in a challenging global environment and has four main features to address Australia’s domestic needs. Firstly, it is economically responsible and fiscally conservative. Secondly, it delivers relief to working families through a package for those families and support for older Australians. Thirdly, it provides for the future by establishing three important funds in infrastructure, education and health. Fourthly, and most importantly, it delivers on our election commitments, especially those made in the electorate of Wakefield.

I think it is important to examine these areas in some detail. The first is economic responsibility, and this budget has that feature at its core. We have resisted the temptation to spend the surplus, which many in the Liberal Party have advocated. The budget delivers a surplus of 1.8 per cent of GDP, as opposed to the previous government’s forecast of 1.2 per cent of GDP. We know surpluses are important because they reduce pressure on demand, on inflation and on interest rates—something that has a big effect on working people. As some economic commentators have noticed, the government’s budget has brought fiscal and monetary policy into sync, making the job of the Reserve Bank less challenging than it was in the last years of the previous government when spending was driven by politics and the electoral cycle rather than economics and the future. What the budget does is to send a coherent message from government to markets, to business and to the community that this is a government which is an active partner in meeting the challenges of inflation. It is a sober and careful budget that is designed to meet a complex and challenging environment.

It is also a budget focused on working families and seniors. Labor’s tax cuts are aimed at working Australians rather than the top end of town. They are aimed at truck and forklift drivers, cleaners, shop assistants and child-care workers, teachers, nurses and factory workers—the people who, with other people like them, add great wealth and value to our economy and to our community. What this budget does is to provide taxation relief in an environment where, as I said before, inflation, petrol and interest rate rises have placed great pressure on family budgets. An example of the tax cuts is that a family with a single income of $40,000 would receive a $20.19 per week tax cut, a reduction of 16.8 per cent. A family with a combined income of $100,000 where the primary earner has an income of $60,000 will get $31.73, an 8.8 per cent reduction. The child-care tax rebate is increased from 30 per cent to 50 per cent, covering half of families’ out of pocket child-care costs. We know child care is a big cost for most families. Low income workers on less than $14,000 will pay no tax at all. This is particularly important to those in the retail and hospitality industries, which are dominated by part-time and casual workers who face constant economic uncertainty in their working lives.

Most importantly, this budget ends a tax trap deliberately created by the previous government. The Medicare levy surcharge as levied by the previous government was an inappropriate use of the tax system. When this levy was first introduced, it covered ap-
approximately eight per cent of taxpayers, but as incomes have risen over the past decade so have the number of taxpayers caught by the levy. If nothing was done, the levy would apply to over 40 per cent of taxpayers. So the failure of the previous government to increase the income thresholds created a situation in which the tax system was used in a completely unfair manner and was levied on people on very modest incomes in order to prevent them exercising choice. That choice was to join or not join the private health system. I want to state for the record that I have no problem with private health and I am a member of a fund. But to use the tax system in this way in relation to those on modest incomes is unfair, undermines public confidence in our tax and health systems and is an unnecessarily coercive use of a taxation measure and one which any reasonable person would oppose. That is why the government will be increasing the threshold from $50,000 to $100,000 for singles and $100,000 to $150,000 for families: to relieve working people from a coercive coalition tax trap. This budget is about making sure that the tax system is fair and delivers to working families and working Australians.

It is also a budget that provides some relief and support for older Australians. It must be said that many older Australians, seniors and pensioners, in my electorate do it very tough and have very few luxuries in their lives. This situation is often distressing for the individuals, their friends, families and the community. As I said in my maiden speech, nothing is as distressing as poverty amongst the elderly. Economic distress for the elderly has been building for the last 11 years. Our first budget provides assistance in the form of a higher utilities allowance of $500 per year, up from $107.20. It also provides a one-off lump sum payment of $500 by 30 June 2008.

On the Saturday immediately after the budget I made one of my regular visits to the Munno Para Shopping Centre, a very busy shopping centre because it has a good Foodland which provides a lot of specials. A lot of pensioners shop there, many of whom are supporters of mine, and they did provide a fair bit of feedback about the budget. Much of it was positive, and some of it encouraged us to go further. And when I went out to the Port Wakefield Senior Citizens Club last Friday I received similar feedback combined with great hospitality. The budget does deliver support to older Australians, but we are well aware of the situation that many pensioners face. The government is committed to working for pensioners and seniors in an economically responsible way, and this budget is a demonstration of that commitment.

Of course this budget is also about building the nation. It is a nation-building budget for a nation-building government. Labor have always been the party of nation building and the party of the future. That is why we have established Infrastructure Australia and the Building Australia Fund. Infrastructure Australia will be a key part of developing a plan to modernise Australia’s infrastructure assets. Infrastructure is a key driver in productivity, in economic growth and in community confidence. And it is a key indicator of national progress. Infrastructure Australia will complete a national infrastructure audit and develop a priority list to guide public and private investment. It will help to identify projects which will be funded from the Building Australia Fund. In the future I am sure that the Building Australia Fund will be seen as a critical part of the economic achievements of the Rudd government. The fund will finance projects that are beyond the capacity of the states and private investors. The allocation of $20 billion from the 2007-08 and 2008-09 surpluses will ensure that the
fund has the ability to undertake its nation-building role. And the good news is that work has already begun: $75 million has been allocated in 2007-08 to undertake immediate feasibility studies on high priority transport projects across Australia. Transport is especially important to my electorate.

For the first time in a long time, the planning and provision of infrastructure is front and centre of a national budget—and that is an important thing—but this budget also delivers on health and education. And just as infrastructure has a critical effect on economic growth, so does education. Especially in the modern, globalised world, education is both an economically and socially liberating force. The Education Investment Fund is designed to finance capital investment in vocational education and training. It will also finance capital investment in higher education systems. Labor knows that both vocational and higher education are critical to the maximum utilisation of our workforce and that individuals are increasingly likely to access both systems over their working lives. These systems are complementary and will both benefit from the Education Investment Fund. As I said before, education is an important force in our economy and our society, and this budget provides the foundation for the future.

The third fund put in place in this budget supports one of Labor’s long-time priorities. The ability of all Australians to access a safe, affordable and modern hospital and health care system has always been a key goal of the Labor Party. The Health and Hospitals Fund has been created to finance infrastructure in hospitals and medical research facilities and to provide for medical equipment and other facilities in these areas. Having visited the Lyell McEwen Hospital in my electorate many times as a candidate and member of parliament—and having been born there and having had a family member stay there with illness a few years ago—I am well aware of the challenges that our health system faces and the excellent work that our local doctors and nurses undertake. This fund will give those workers in the health sector and the community confidence in future investment and future support of our hospitals and our health care system. This is a budget framed with nation building and the future in mind. It is a budget that will resonate decades from now. It improves living standards through long-term investments.

Having grown up in Kapunda in country South Australia, I know how important government services are to regional areas. This is a good budget for those Australians who live in regional Australia. Firstly, it provides $271 million over four years to fund the Australian Broadband Guarantee to ensure all Australians have access to broadband internet services. Access to broadband is, I believe, the single biggest social equity challenge Australia faces. The Howard government approach left Australia behind the times and left many Australians isolated from broadband services. The funding for the Broadband Guarantee and the work being done on the Australian Broadband Network is critical to all Australians in regional Australia and it is critical to the nation. These policies will allow some of the tyrannies of distance that affect regional Australia to be eliminated.

In addition to this, we have made significant progress on another key issue—water. We are providing funding and leadership in the area of water policy and there is now going to be a 10-year policy framework called Water for the Future. This policy will have a big impact on regional Australia. National leadership, on the one hand, and local solutions, on the other, are the path forward. An example of this in my electorate is Tarac Technologies near Nurioopta, which recently received a grant to expand their recycling of
waste water from local wineries for use in local vineyards. They have big plans in the future to harvest some of the methane gas that is produced in the process. This is the type of project that should be encouraged around the country.

The budget establishes the Better Regions policy to provide both funding for regional projects and a program that the community can have confidence in. Two projects in my electorate will have a big impact on the regional communities. These projects are the community and recreation facilities at Angle Vale, which will provide a growing community with their first real community and sports facilities; and the Gawler River junction project in the town of Gawler—which I think the Gawler council will be discussing tonight—which will help to provide access and amenity to this beautiful but underutilised part of the town of Gawler. Both these projects will add to the unique character and lifestyle of these communities. So in the case of my electorate this budget delivers on the key priorities—economic responsibility, support for working families and seniors, nation building, and local commitments. It is a budget that delivers to the nation and to Wakefield.

It is worthwhile to contemplate the alternatives to the government’s budget. It is worthwhile for the Australian people to contemplate the various replies from the opposition. The opposition’s response has been characterised by three factors: weak leadership, division and economic irresponsibility. We should start with weak leadership. The member for Bradfield is in a terrible place. He does not command sufficient support among voters or his own party room to sustain his leadership into the future. Leaders in this position can respond in one of two ways: they can articulate a clear set of beliefs and stand firm, or they can be swept along with other people’s agendas and the events of the day. It is fairly clear that the Leader of the Opposition has never had a belief he was not prepared to jettison for future advancement. So we find him being pushed along by Senator Minchin, by the ambitions of the member for Wentworth and by the shrewd calculations and agendas of those in his party. His leadership is like watching a fish out of water—lots of movement but you know it cannot last. It is this weakness that is driving the divisions within his own party. It is this weakness that is driving the economic irresponsibility of his party. And both division and economic irresponsibility are an insult to the hundreds of thousands of conservative voters who rightly expected something quite different from their party.

We know that the Liberals are divided on so many issues. There is one, in particular, I want to go to—the issue of pensions. On 16 May, the member for McPherson, the opposition pensions spokesperson, went on Steve Price’s program on 2UE:

STEVE PRICE: Let me just be clear there, the opposition is now endorsing an increase in the base rate of the pension.

MARGARET MAY: Yes. Absolutely.

STEVE PRICE: But the leader doesn’t know about it?

MARGARET MAY: Well, the leader doesn’t know that I’m putting that in a petition. A report that we supported, the unanimous report, said that the base rate of pension was not enough, I believe my leader will support me on this, I have discussed it with Brendan, what he doesn’t know is that I’m releasing a petition, but I believe I will have the support of my leader, if I don’t I will be very disappointed, but that’s what I’m prepared to do Steve, because I think these people have been ignored.

What an extraordinary situation it is when a shadow minister’s opinion of her leader is so low that she does not even consult him on a policy change worth billions of dollars. We know there was policy division here because
her proposal was not supported by the Leader of the Opposition or the shadow Treasurer. So what we have here is a fundamental economic irresponsibility—raising the hopes of pensioners who do it tough while providing not a shred of explanation of how to pay for it.

We know economic irresponsibility is something that oppositions are regularly accused of, but in this case it is absolutely true. How else can we explain the situation when the opposition makes a great number of extravagant and expensive policies, does not properly cost them, does not nominate any savings measures to offset those uncosted policies and proposes a $22 billion raid on the budget surplus that will cost every Australian through higher inflation and higher interest rates?

This approach to a national budget was last seen during the Peron era in Argentina. That is the last time a commodity-rich country indulged in such economic irresponsibility and it is why the Liberal promises cannot be trusted and cannot be delivered. They are a fiction and a fantasy. They are a figment of the Leader of the Opposition’s imagination and his tenure in the job. Labor’s budget delivers on our election commitments, including on my commitments in the electorate of Wakefield. Most importantly, it is focused on nation building and it is focused on the working people of this country.

Mr SLIPPER (Fisher) (7.39 pm)—The honourable member for Wakefield is a new member and he might not be aware of the forms and traditions of the House that, if an honourable member intends to attack a colleague, he should give that colleague the opportunity of knowing that that attack is about to be made so that he or she is able to come into the chamber and respond at the appropriate time. Maybe the honourable member was not aware of that tradition in the chamber, but if he has indeed advised the honourable member for McPherson that that was what he was going to do then it would obviously not be appropriate for me to criticise him.

In this debate on the Appropriation Bill (No. 1) 2008-2009 and its cognate bills, I would like to mention a number of matters. Mr Deputy Speaker Scott, you would be aware that this is one of the few debates in the chamber where honourable members are able to traverse a whole range of topics of relevance to their electorate, sometimes referring to the budget and on other occasions just referring to matters that are of importance to local constituents. I just want to emphasise that, since the budget has been delivered, my office on the Sunshine Coast has been inundated with complaints from pensioners and independent retirees that they have been completely ignored in this budget. The government sought to give certain benefits to certain sectors of the community, but they seem to have forgotten that just because someone is a senior Australian it does not mean that person is not of worth and of value to the Australian community.

We have had numerous tear-jerking stories of people who are quite genuinely in a desperate situation financially. They had their hopes that this government—given the surplus it inherited from its predecessor, the Howard government—would take into account the needs of that important sector of the Australian community. But sadly those hopes were dashed. People who are pensioners and independent retirees worked hard during their working lives to give Australia the freedom, stability and way of life that does make us the envy of people throughout the world. Just because someone is an older Australian, it is important that the government recognises that that person still has worth and value and makes an important contribution to our community.
In a media release I called for the Prime Minister and the Treasurer to act quickly to examine the predicament of pensioners and independent retirees and to rectify the situation as soon as possible. People who are retired Australians have lived through wars, struggled through difficult times and worked hard for this country. Many of them have found themselves retiring prior to the introduction of widespread superannuation. As they looked towards retirement, many of them knew that they would be dependent on the pension, but there was an acceptable and widely held belief that this was something that they had contributed towards during their working life. These pensioners have found, however, that the government has treated them with contempt because the government has calculated that our ageing population would place an ever-increasing pressure on the welfare system and has therefore decided to cut senior Australians adrift.

I have to say that many people who rang my office said that they voted Labor at the last election. They now regret that decision because they believe that the Rudd government has not demonstrated what it said it would do before the election—that is, to be a government for all Australians. There are admittedly some initiatives in the budget for seniors, but most of them owe their existence to the former Howard-Costello-Vaile government, such as: the utilities payment, which is being increased from $107.20 to $500; the seniors concession allowance, which will increase from $218 to $500; and one-off payments of $1,000 to those receiving care and $600 to carers.

We are all aware though that the government was forced to reverse its intention in relation to carers and the opposition is responsible for the fact that the payments will indeed go through to those people who carry out such an important role in our society by caring for loved ones. If carers did not do what they do out of a sense of compassion and love for family members or other loved ones then the burden on the community which would result from the community having to look after those people needing care would be absolutely quite incredible. I would like to implore the Prime Minister and the Treasurer to look seriously at the needs of pensioners. I just believe that it is important that the government looks at the fact that it inherited a robust economy with the previous government having done the hard yards, having repaid some $96 billion in Labor debt. The Rudd Labor government inherited an economy that was the envy of people throughout the world, but unfortunately the Labor government has not chosen to look after those people to whom we as a nation owe so much.

The Treasurer has said that the government will review age pensions. I hope that it is done promptly and that the necessary changes are made to assist pensioners as soon as possible. While he is at it, he should also look at independent retirees—people who have worked and made provision for their retirement so that they would not be a cost to the Australian community. Independent retirees—and we have many of them on the Sunshine Coast—deserve incentives that recognise their value and encourage other Australians to follow suit. I can see you are smiling, Mr Deputy Speaker Scott. On the Sunshine Coast we even have many of your former constituents, retired wheat farmers, moving to the Sunshine Coast, where they continue to carry out a very valuable role in our society.

Independent retirees are also in the firing line of the budget due to changes of the eligibility criteria for the Commonwealth seniors health card. The Commonwealth seniors health card was a very important initiative of the former Treasurer, the honourable member for Higgins, because it gave independent
retirees access to the Pharmaceutical Benefits Scheme at the same rate as pensioners, provided their incomes did not exceed certain limits. The card was brought in at a certain rate. Shortly afterwards, the government substantially increased the eligibility levels but, regrettably, for, I think, some 10 years or so, the income levels for eligibility have not increased, so many independent retirees who previously enjoyed access to the Commonwealth seniors health card and the PBS at the concessional rate have now been ejected from the card scheme. At a stage in their lives when they have increasing medical needs they are finding it more and more difficult simply to make ends meet.

This government went further. Instead of upgrading or indexing the eligibility criteria for the Commonwealth seniors health card, they have made changes which mean that the income, which is the eligibility criteria for the card, will also include income from superannuation income streams, tax sources and salary sacrificed superannuation. This means that more people will be thrown off the card scheme. It means that Mr Swan will come and take eligibility for the Commonwealth seniors health card away from more retirees. So, instead of redressing the inequity and indexing the income eligibility levels to 2008 levels, the government has made it even more difficult for independent retirees to hold on to their cards. I think that is eminently regrettable. In fact it is despicable.

Prior to the election, I pushed, without success, the former government to index the income eligibility levels. This would have been a golden opportunity, given the budget surplus, to reward those people who have made provisions for their own retirement. Unfortunately this has not happened. The eligibility for the Commonwealth seniors health card remains at $50,000 for singles and $80,000 for couples. That has been frozen for a period of more than a decade—and $80,000 today clearly does not buy what $80,000 bought 10 or 12 years ago. The loss of the card for so many senior Australians will bring about elevated financial pressure at a time when grocery prices, petrol prices and home mortgage interest rates have already climbed to disturbing levels. The changes will also reduce the incentive for others to contribute to superannuation funds. It really is important as part of a review of the pensions process that the government rethink the eligibility criteria and reconsider the needs of these senior Australians to continue to have access to the Commonwealth seniors health card. Personally, I believe that it is really important for those people who have lost their access to the Commonwealth seniors health card to have that access restored as soon as possible.

I do want to applaud the fact that the government has, in the budget, agreed to fund a number of its election promises made prior to the November 24 poll last year. On the Sunshine Coast, this includes projects announced in the electorates of both Fisher and Fairfax, including $5 million for the upgrade of the renamed Stockland Park at Kawana, $1 million for the upgrades of two parks at the Mooloolaba spit, $5 million for a new Sunshine Coast exhibition centre, $3 million for a visitor centre at the Maroochy botanical gardens, $1.3 million for the Nambour CBD refurbishments and $4.6 million for a water recycling project at Coolum ridges. Some of those projects are in the electorate of Fairfax, represented by my colleague the Chief Opposition Whip, but we think of ourselves as a community. The Sunshine Coast received those promises from the government and I am pleased that these projects have been confirmed as being in line to receive government funding—apart from $1 million for parks at Mooloolaba which remains in limbo. I think the government is trying to find this promise and trying to find what it actually
said. I hope that those parks at Mooloolaba will be upgraded as promised by the Labor Party prior to the election.

I would like to congratulate the team which conducted the successful search for the HMAS Sydney. Another ship that was attacked and sunk during World War II lies undiscovered in waters off the Sunshine Coast. I refer to the Australian hospital ship Centaur. This ship was lost in 1943, resulting in the loss of 268 lives. The torpedoing of this ship was a war crime. It was torpedoed by a Japanese submarine when it was displaying the red cross and was therefore legally immune from attack. A memorial to the tragedy is located on the shoreline at Kings Beach, Caloundra. Many of the survivors, and some of their families and the relatives of those who died, live on the Sunshine Coast and elsewhere, and they are trying to find answers to the remaining mysteries of this wartime tragedy.

We now have the technology and we now have the skill and experienced people to do the job. And we have a fairly good idea where the Centaur went down. All we need now is the funding. We know where the ship was 10 minutes before she was sunk off Stradbroke Island. The search team had incredible success in locating the HMAS Sydney, which was in an undefined location, a long way from land and in very deep waters. That was quite impressive and amazing. We are told that the calculated location of the Centaur is relatively close to land and it is believed to be in much shallower waters. We have spoken to the man who led the search for the Sydney. It cost $3.9 million to find the Sydney, but the cost of finding the Centaur would be substantially less. I have written to the government to consider funding a search for the Centaur, which I am told is the last remaining ship that was sunk during World War II in Australian waters yet to be discovered.

Once found, the location of the ship should be recorded and then the vessel left as it is, undisturbed—I suppose, in a sense, a war grave, although I think the marine term is a protection site, to prevent unauthorised visits. I have spoken to the honourable member for Lingiari, the Minister for Defence Science and Personnel, and he is certainly sympathetic. I want to commend him upon his attitude. I gather that it is not certain whether the Minister for the Environment and Heritage or the assistant minister for defence is responsible for this, but the government have looked at my proposal quite seriously and I am hopeful that they will look at it favourably, because there are a lot of people out there who would like to know what actually happened and it is important that we are able to respect the memory of those 268 people who were lost and also to recognise the service of those people who survived.

I would also like to refer to railway upgrades on the Sunshine Coast, particularly in the area of Mooloolah. Mooloolah is an iconic village in the Sunshine Coast hinterland about 20-odd kilometres from Caloundra. The Queensland government is currently undertaking the mammoth task of upgrading the north coast rail line, which stretches between Brisbane and Cairns, and it is a laudable effort. The apparent need for the rail upgrade was detailed in the South East Queensland Regional Plan and also in the South East Queensland Infrastructure Plan and Program 2007-2026.

I would like to raise concerns in particular about upgrades to the line between Landsborough and Nambour. This is defined in Queensland Transport documentation as the Landsborough to Nambour Rail Project. This rail line has been in operation since 1891. Suggestions include not only duplication of the line but quadrupling of the line in the longer term, which the Queensland govern-
ment claims would require a corridor of some 60 metres wide. This would require significant resumptions. For Sunshine Coast railway towns like Mooloolah, Landsborough, Eudlo, Palmwoods, and Woombye, which were developed and built up over many generations around the local railway line, it will mean massive changes in the amenity and the user-friendliness of the business districts.

Concerns are that cutting a swathe through the towns, as appears to be the selected option, will destroy these towns completely. These are wonderful hinterland villages with a delightful ambience and a caring community. If you quadruple the size of the rail line and have massive overpasses, it will be like having little bits of Sydney in the Sunshine Coast hinterland. I believe that it will result in a lot of ugliness. The attractiveness of these towns, including the historic nature of the architecture, will be spoilt and this will seriously adversely affect the local economy because the area will not be as attractive for tourists and so on.

I have been contacted by residents of Mooloolah who, with others, make up the Sunshine Coast Hinterland Railway Towns Preservation Society. They are concerned that a combination of the railway upgrades plus plans in the South East Queensland Regional Plan to urbanise the town of Mooloolah by introducing significant areas of high-density housing and industrial business to the area will impact adversely on the town. A document prepared on this matter by a retired civil engineer suggests that doubling of the rail line would suffice ‘to the extent that further construction is unlikely to be required within the lifespan of existing technology’.

The community at Mooloolah has been dealt further blows with the announcement on 5 May by Premier Anna Bligh that the deadline has been brought forward by one year for a review of the South East Queensland Plan. As a consequence, the deadline for public submissions to the review has been brought forward to 6 June, just one month after the new deadline was announced. This gives residents of Mooloolah, who have these genuine concerns about their town, just four weeks to prepare and submit their concerns and suggestions for a plan that will dictate development in their region until 2031. This is clearly an unworkable and unfair deadline and time frame for local residents. The community is concerned that they are unable to raise their very real concerns with the state government and that correspondence has gone unanswered. They understand this is a state project, but unfortunately the state government, which does represent the area at state level, is not taking into account what needs to be done—that is, listen to the concerns of local residents. I raise this matter here in the Australian parliament because Mooloolah residents and residents of other railway towns deserve to be properly heard. I call on the Queensland state government to genuinely listen to the concerns of these people and to seriously consider changing the rail plans to ensure their livelihoods are not destroyed.

I am also very sorry that the new government has put an end to the extremely successful Investing in Our Schools Program. This was a practical and cutting-edge initiative in that it helped fund projects that school communities identified as priorities. The good thing about the Investing in Our Schools Program was that it recognised that one size did not fit all and that individual school communities had individual needs. Unfortunately, with the scrapping of this program, there will be many unmet needs—needs that will be unmet by the Queensland state government—in state government schools. Independent schools on the Sun-
shine Coast, some of which are not at all wealthy, will also not be able to fund the improvements they need.

Mr SIDEBOTTOM (Braddon) (7.59 pm)—I am very pleased to be able to speak on Appropriation Bill (No. 1) 2008-2009, Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009, Appropriation Bill (No. 2) 2008-2009, Appropriation Bill (No. 5) 2007-2008 and Appropriation Bill (No. 6) 2007-2008. In effect, this is a discussion of and an assessment of the 2008 Rudd Labor government’s first budget. This budget is framed, as we all know, at a time of countervailing forces, with turbulence in financial markets abroad and comparatively high inflation in Australia. Despite the denials of those opposite and their refusal to accept the Reserve Bank’s continuing warnings on the issue, Australia’s underlying inflation is currently running at 16-year highs. Thus with slower global growth and the impact of higher interest rates, the economy is expected to slow to 2¼ per cent growth in 2008-09, and this budget is accordingly premised on these expectations. It is a realistic, responsible budget which delivers on Labor’s election promises on the macro and micro levels, seeks to keep inflation in check and interest rates as low as realistically possible and invests in key areas of social and economic health of our nation, both now and into the future. In addition, the Rudd Labor government has committed to a comprehensive review of Australian taxation to be led by Dr Ken Henry, Secretary of the Commonwealth Treasury. The review will address all forms of Australian taxation, including state and local government taxes and also including income for retirees and the aged.

As promised, this budget has rewarded working families. As promised in the lead-up to the 2007 election, working families will be assisted through the $55 billion Working Families Support Package, which includes some of the following: tax cuts of $46.7 billion over four years; an increase in the child-care tax rebate to 50 per cent; the introduction of a 50 per cent education tax rebate; the $2.2 billion housing affordability package, which includes a First Home Savers Program whereby the government will contribute 17 per cent for the first $5,000 saved each year; and the fact that from 1 July 2008—and this is often forgotten in all the broad sweep of this budget—part-time workers will be able to earn up to $14,000 without paying tax, up from the current $11,000. Consistent with our commitment to responsible economic management, the government will put fairness and integrity back into the income tax and transfer systems by better targeting benefits to families and making income-testing arrangements more comprehensive and more equitable.

Importantly—and this is often overlooked—we made a commitment to make federalism work, and work better. The government will continue to work cooperatively with the states and territories to implement a modern federation that can meet the challenge of a modern economy. We are already working together to develop reforms in the priority areas of health and ageing, education and training, climate change and water, infrastructure, business regulation and competition, housing and Indigenous disadvantage. These reforms, underpinned by the new federal financial framework of streamlined specific purpose payments and reform based national partnership payments, will assist in improving productivity and workforce participation. This framework will provide the states with greater funding certainty and budget flexibility, while enhancing accountability and transparency. There is a commitment that no state will be worse off from these reforms and that incentive payments will be in addition to—I reiterate: in addition to—existing payments.
Another hallmark of this budget and our promise to the Australian electorate is that we would invest in our future—that we would fund for future priorities. The government will invest budget surpluses from the 2007-08 and 2008-09 budgets in three nation-building funds: the Building Australia Fund to finance transport and communications infrastructure such as roads, rail, ports and broadband; the Education Investment Fund to fund higher education and vocational education and training facilities; and last, but by no means least, the Health and Hospitals Fund, whereby funding will occur for health, hospitals and medical research facilities, projects and technology equipment. I was very pleased that the Minister for Health and Ageing and the Prime Minister only yesterday announced a further tranche of that very important funding, particularly to tackle waiting lists and the provision of equipment for our hospitals that are doing a good job but under a lot of pressure. With transfers from the Higher Education Endowment Fund and the Communications Fund—which will be absorbed into the EIS and the BAF respectively—these funds will provide in the order of $40 billion for future capital investment. I understand disbursements from these funds will be subject to rigorous evaluation and an assessment of the macroeconomic conditions in the years in which payments are made. The government will make further contributions to the funds from future surpluses as appropriate.

Where funds are used to finance projects with the states, they will be disbursed to the states through a new Council of Australian Governments Reform Fund. The COAG Reform Fund will also disburse funding provided from the Commonwealth budget to the states for national reforms through National Partnership payments. These funds underpin our commitments to investing in Australia’s future prosperity in the areas of transport and communications, education and health facilities, which are so important to all the members that I can see in the House at the moment. In terms of infrastructure, a $20 billion Building Australia Fund is a central plank in our policies to lift Australia’s productive capacity and international competitiveness by providing leadership on national infrastructure planning and provision. This includes the establishment of Infrastructure Australia, implementation of AusLink land transport commitments and funding for Better Regions projects.

We also promised to commence an education revolution that is so necessary for the future of this country. The education revolution is also integral to lifting the participation and productivity of Australia’s workforce through an investment of $5.9 billion over five years in education and skills. Education and employment are also at the core of the government’s social inclusion aspirations. As part of the education revolution, a range of early child education and care measures worth over $800 million over five years are being taken forward, including universal access to early learning centres and services for children in the year before formal schooling. There are also 260 childcare centres, including an early learning autism centre to be located on the north-west coast in my electorate of Braddon.

The majority of these measures are being progressed through COAG. The government has also committed $500 million in 2007-08 for the capital requirements of universities, primarily for teaching and research infrastructure. In addition, the $11 billion education infrastructure fund will fund capital investment in higher education and vocational training. In future the EIF could be extended to include school infrastructure as further contributions are made to the fund.
In terms of the infrastructure funds, the Health and Hospital Reform Plan plays a central part. The government will spend $3.2 billion on the Health and Hospital Reform Plan to revitalise the health system. This will deliver on election commitments including the $300 million investment in public hospitals agreed to at the March COAG meeting; GP super clinics, two of which will be located in Devonport and Burnie in my electorate; reducing elective surgery waiting lists; improving dental health; and strengthening the care for older Australians. The government has also established the $10 billion health and hospitals infrastructure fund to provide additional investment in hospitals and health infrastructure and medical projects. There are also a range of preventative health measures aimed at reducing childhood obesity, improving nutrition and increasing participation in sport and physical activity. Indeed, these do not get as much coverage as when we discuss hospitals in our communities, but I think that preventative health measures and primary health care are very important because they will actually affect demand for our hospitals in the future. Perhaps that is what we should be discussing a lot more in this place.

Finally, meeting the longer term challenges of climate change and water security are at the heart of this budget as well. The government will provide funding of $2.5 billion over five years focused on the three pillars of the government’s climate change policy. I will reiterate those: helping to shape a global solution—that is, indeed being part of it and recognising it; adapting to unavoidable climate change; and reducing Australia’s greenhouse gas emissions primarily through an emissions trading scheme. I, like all members in the House, look forward to seeing more details of that scheme and being able to assist people to be part and parcel of it. This will include $500 million over seven years for the National Clean Coal Fund, $300 million over five years for green loans to help households install water- and energy-efficient products, and $150 million to assist countries in the region to prepare for and adapt to the effects of climate change.

I will now get to more specific details of the budget as they affect my beautiful state of Tasmania and more specifically my beautiful region on the north-west coast of Tasmania, and of course I always include the jewel in that crown, King Island. Again, I invite you all to visit some time in the very near future, particularly you Minister O’Connor. I would love to see you very soon.

Mr Brendan O’Connor—I love the cheese.

Mr Randall interjecting—

Mr Sidebottom—And of course you, Don. The first Rudd Labor budget delivered on additional significant health and transport infrastructure funding, some of which is in my region and which I will highlight in a moment. I note that in terms of general revenue assistance, Tasmania in 2008-09 will receive over $1.7 billion in GST payments from the Commonwealth and that these payments are expected to grow to close to $2 billion by 2011-12.

While I am at it, I would like to congratulate the new Premier of Tasmania, David Bartlett, and the new Deputy Premier of Tasmania, Lara Giddings. They are two very capable, energetic, innovative, visionary younger generation leaders. I think they reflect what is going to happen throughout the rest of Australia in terms of a new generation of leaders. I really encourage them and I look forward to working with them as I have in the past and certainly will in the future. I also acknowledge the great work that the former Premier, Paul Lennon, did for our state, most particularly when he was working with
David Crean and the late Jim Bacon. They were an excellent triumvirate. Tassie, I must say, has come out of the doldrums and into the 21st century and is now a state that has a terrific future. Under the new government I think that future will be assured.

In regard to specific purposes payments, now that you ask, Don, in 2008-09, Tasmania will receive estimated payments totalling $864 million and that includes $694 million in payments directly to the Tasmanian government.

I would now like to highlight some of the specific commitments to my electorate as outlined in this first budget. I do so for a number of reasons: firstly, to put these commitments or projects on the public record as they are so often lost in the broad media sweep of the more generic budget programs that we hear about, think about and lobby for; secondly, to acknowledge the hard work of the many individuals, organisations and local government bodies who lobbied to secure projects on behalf of their communities; and, thirdly, to demonstrate how national policies in relation to a whole raft of areas in our daily lives can be localised and made more real. Every one of the projects committed to in this budget will benefit my region. Finally—and for some perhaps, surprisingly—these projects are a first-up, up-front fulfilment of our election promises.

Mr Perrett—Core promises.

Mr Sidebottom—Core promises indeed. Well, there are only promises; you do not need core and non-core. It has been redefined in the past but we have now corrected it.

I would like to work through some of these projects, if I may. In relation to the creation of jobs, we have had a commitment of $12 million to an Enterprise Connect centre. It is to be located in my region and will work and operate for the whole of Tasmania. Likewise there has been a $1.2 million commitment to business and employment located in Devonport for state-wide initiatives, particularly to help small business.

In terms of infrastructure there is $500,000 for the Oakleigh Park overpass at Burnie; $2 million for the Formby Road in Devonport; $1 million for Port Sorrell Main Road, in the eastern part of my electorate; $700,000 for the King Island freight equalisation scheme, which is so important in terms of intrastate recognition and support; and $30 million has been committed to a rail upgrade between Burnie and Wiltshire in Circular Head.

In terms of tourism, $12 million has been allocated to the Bass Strait Passenger Vehicle Equalisation Scheme. The subsidy has been increased from about $168 to $180 to help all those people who want to visit Tasmania, particularly in the near future. There is $185,000 for the Table Cape Lighthouse tourism project in Wynyard and $175,000 for the King Island food and recreation trail project.

In the area of health, there is $7.7 million for a new cancer treatment unit, with a preference for it to be located in the north-west and/or the north. There is $10 million for better patient transport, with a focus on the north-west coast; up to $5 million for a GP super clinic in Devonport and up to $2.5 million for a GP after-hours clinic in Burnie. There is $1.25 million for the Sisters of Charity in Devonport to continue their excellent work in trauma counselling, which they offer to the whole of the state. Remember, many of these are services which will be provided to the whole of Tasmania. There is $60,000 for the Penguin Medical Centre, and there will be a specialised autism centre based in the north-west, servicing Tasmania, and a Medicare licence for the MRI machine at the North West Regional Hospital. Also, of
course, infamously, there will be federal funding for the Mersey Community Hospital.

In terms of community infrastructure there is $3 million for the Burnie Waterfront and Cultural Precinct, which is to get underway very soon; $1.8 million for the Ulverstone wharf and showground; $1 million for the Mersey Bluff in Devonport; $200,000 for St Brigids Hall in Wynyard; and $300,000 to assist the King Island community to receive a basic digital television service. There is $750,000 for the Ulverstone to Turners Beach pathway; $125,000 for the Somerset Sharks Soccer Club, $720,000 for the Circular Head Community and Recreation Centre; $30,000 for the Circular Head Little Athletics Centre; and $200,000 for the Port Sorell Surf Life Saving Club extension.

I am very proud to have put that on the public record. It may seem a lot, and indeed it is a lot, but that is the result of communities who lobbied long and hard. They were listened to very carefully when we were in opposition. The projects were all put together in packages and I am very pleased to say that they were delivered in this first budget. It is interesting that promises were made and they were delivered in our first budget in this term of government. I look forward to working with the minister at the table, Brendan O’Connor, and many others to deliver these important projects to a beautiful part of Australia, the north-west coast of Tasmania and King Island. I am very pleased to represent it.

Mr RANDALL (Canning) (8.18 pm)—I would just like to say how pleased I am to speak on Appropriation Bill (No. 1) 2008-2009, Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009, Appropriation Bill (No. 2) 2008-2009, Appropriation Bill (No. 5) 2007-2008 and Appropriation Bill (No. 6) 2007-2008 this evening. Before I do I would like to congratulate the member for Braddon. It sounds as if he won Lotto on behalf of his constituents, so he must be a very good member. Well done!

Mr Sidebottom—Thank you. I know you work hard too!

Mr RANDALL—Yes, but it is very nice to see. I am only asking for $3 million through Regional Partnerships, and I will outline that shortly. I have sought leave from the opposition to table some letters at the end of my speech. If I can do so, I would appreciate that. This was the first budget delivered by the Labor Party in almost 13 years, and many Australians are probably pretty pleased about that because during those years this country has never been in such a strong financial position and delivered so much for, and on behalf of, the Australian people. However, this was a typical Labor budget. It was full of broken promises, which I will outline later in this speech, and has let down many Australians—just ask the older Australians. You would have seen the demonstration in Melbourne the other day that underlined that.

This is a budget about increased taxes, as well. I am not one, generally, to agree with the member for Kingsford Smith, Peter Garrett, but he was right when he said before the election: ‘Once we get in we’ll just change it all.’ That is what we are seeing happening.

I want to start by outlining my grave concerns about what has happened to Regional Partnerships in my electorate of Canning and in the surrounding Peel region, which I share with the member for Brand, Gary Gray. Let me start with the fact that the Labor Party has ripped $1 billion from rural and regional Australia. More importantly, in my electorate of Canning there has been the axing of approved Regional Partnership funding of more than $3 million. As I talk about $3 million I feel humbled, having just listened to the
member for Braddon. I could not keep up in adding up the millions of dollars that were being mentioned. But, as I said, it is good to see a member delivering for his electorate. Good luck to him!

It is pretty obvious that the Labor Party has taken more than it has given. In saving $436 million by the cutting of the Regional Partnerships program and Growing Regions, it is only putting $176 million back into regional development—conveniently already committed to Labor’s election promises. There is no new money for regional projects available until late 2009. And—surprise, surprise!—late 2009 just happens to coincide with the run-up to the next federal election.

I stand before you today with the letters of approval—and I wish, as I said, to table these letters shortly—for four projects benefiting the Canning residents and the local community bodies and organisations that have worked hard to secure this funding. I will say at the outset that I tend to agree that there may have been some approvals for projects that were probably wrong, and they should be weeded out. But do not weed out the ones that were properly applied for, properly signed off on and that had matching funding from local government, local organisations, state Labor governments and the federal government but from which money is now being taken away. The ones I wish to outline as examples in my area are the Pinjarra indoor heated aquatic facility, the Meadow Springs open space facility, the Port Bouvard Surf Sports and Life Saving Club, the paediatric ward of the Peel Health Campus and the c-pod digital studios in the city of Gosnells.

Now, as I said, I want you to look closely at these letters. Slashing funding from these projects is nothing short of dishonourable. The cloak and dagger manner in which this has been handled is totally unprofessional. In fact it is unprecedented for an incoming government to reach back into a former government’s programs—where approval has been given in the most proper way by ministers and through departments and budgeted for in the forward estimates—and to take the money away from these groups. For the past six months these invaluable projects have been left in limbo while construction costs continue to soar.

I have a letter here from the Mayor of the City of Mandurah. He has written to the Hon. Gary Gray today, the Parliamentary Secretary for Regional Development and Northern Australia, and the heading is ‘Regional Partnerships program: non-funding of approved projects’. The candidate against me at the last election was a councillor from the City of Mandurah. He was there at the launch and approval of many of these programs. He voted for these programs through the council of the City of Mandurah. I considered it a fairly strong Labor council—you cannot make generalisations but it is stronger than some others in my area—and yet this council and the mayor have written an absolutely ferocious letter to the parliamentary secretary today outlining their abhorrence at what has happened to their community. One of the lines in the letter is, ‘I remind you that people affected by this incomprehensible decision are working families’. This is a letter from the Mayor of the City of Mandurah today. I am going to table that letter so I do not take up too much of the time in this debate.

While we have been waiting for the department and the government to make up their minds, the costs have soared enormously. The Labor Party appears to be hell-bent on punishing constituents living in seats held by opposition members now, rating politics higher than representation. We know what sort of infrastructure Labor regards as important. Do not forget the $2.6 billion for
the dead tree of life in Queensland. It is going to get a tick. The electorate of Brand neighbours my electorate of Canning. These electorates straddle this area of the Peel region, in one of the most rapidly-growing areas in Western Australia. The Peel Area Consultative Committee covers an area of some 6,000 square kilometres and incorporates the local government areas of Rockingham, Kwinana, Serpentine-Jarrahdale, Mandurah, Murray, Waroona and Boddington. During the 2006-07 financial year, 12 regional partnerships applications were submitted from the Peel region, including the above-mentioned Pinjarra pool, Meadow Springs open space facility, the surf club and the paediatric ward. Six projects were approved, with the total amount of funding being $3,365,000 and this funding contributing towards $20 million of capital development in the region. So that $3 million was going to make $20 million worth of capital projects.

I have raised the matter of these projects with the member for Brand myself, and I have been surprised and disappointed that he continues to ignore the needs of his own constituents. I wrote to the member for Brand on 24 April of this year, specifically in relation to the surf club project. I have yet to receive a response. Let me detail these projects now to more fully outline their importance to the region and their value to the local community—

for example, the Port Bouvard Surf Sports and Life Saving Club. The former minister approved $651,200 in writing in August 2007—and as I said, I will produce the letters—towards the construction of club rooms at Pyramids Beach. The club rooms’ proposal included a viewing platform for lifesavers, a first-aid room, a training room, a kiosk, change rooms and storage, not to mention a base for the club’s 200-plus members. This project had support from all levels of government and community organisations, with significant funds coming from the Department of Sport and Recreation—which is a state government department—the City of Mandurah, some $200,000 from Lotterywest and $120,000 from the club itself. The bottom line is that this club saves lives. Everything possible should be done to prevent a repeat of the tragedy of February last year when a father drowned trying to save his two sons at this beach. I repeat: a father drowned at this beach trying to save his two sons who were caught in a rip, and we are trying to build something substantial. At the moment the surf-lifesavers operate out of tents on this beach. I will hold the Rudd government accountable for any future tragedies at Mandurah’s southern beaches until this funding is honoured, because they could have honoured it and the fact is that they have not. Let us just remember that this went through the area consultative committee, it went through the state department of DOTARS, it went to the federal department and it went through three ministers and was approved well before the election. The fact is that contracts were not entered into because they were waiting for notification of the funding. So it was a catch-22 situation.

I turn now to the Pinjarra pool project. Some $1.1 million was committed to the expansion of the existing Murray District Community Recreation Centre to include an indoor heated eight lane 25-metre pool, spa and leisure pool. This is a project that had been on the community agenda for well over a decade so the centre could offer swimming lessons, water fitness classes and hydrotherapy as a rehabilitation option. In an innovative partnership—and this is very interesting—Alinta, the state gas supplier, was to provide natural gas free of charge for 10 years to run the micro-turbine that would provide both electricity and heating for these pools, saving a remarkable 273 tonnes of greenhouse gases per year and at least
$150,000 in operating costs. This micro-turbine operating system was believed to be the first used in an aquatic facility in Australia. Perhaps this is just another example of Labor not taking climate change seriously despite all the rhetoric.

Funding of $502,000 towards the construction of a 12-bed paediatric ward, furniture and equipment for the Peel Health Campus was approved by the minister—and the foundation has done a remarkable job raising over $3 million towards this project. Families throughout the Peel region would benefit from this new, potentially life-saving, facility. There is no 12-bed ward for children in the Peel region now, and this funding was to go towards that. It has now been ripped off them.

Then there was the Meadow Springs open space project in the electorate of Brand but in the Peel region; $1.1 million was committed towards the construction of a $5 million purpose-built sporting community facility. The project is focused on healthy living and community involvement, and offers education and tourism opportunities. Minister Albanese’s allegations of pork-barrelling are just false, as these projects were awarded funding entirely on their merits.

Debate interrupted; adjournment proposed and negatived.

Mr RANDALL—These projects were thoroughly planned. The application process, as I said, was completed in accordance with the program guidelines, and the projects were recommended by independent bodies and finally approved by a panel of three ministers. Last week, Mandurah’s sitting mayor confirmed as much in the Mandurah Mail, the local newspaper, on 22 May. Quite rightly, the mayor is outraged that the Peel community is being punished. The city does not believe Labor’s excuses for dumping the Regional Partnerships program are significant enough to rob many local governments of funding for valid regional projects. Mayor Creevey said:

“To say the Government will only honour existing contracts and not those which had departmental approval and letters of confirmation reveals a blatant disregard for many Australian communities especially when the justification given is worded ‘to ensure funds are allocated for legitimate local needs’.”

In other words, she is offended and regards it as a slur. She went on:

“We believe we do have contracts because of the funding approvals given, so for the Government to announce in the May budget that it would be dishonouring previously approved projects to offset various regional election commitments is nothing short of a double standard.”

She continued:

“It’s about time promises were honoured and local communities were treated with the respect they deserve.”

Labor’s $176 million Better Regions Program is hypocrisy at its best. Despite its fundamental criticism of the Regional Partnerships program as being a coalition slush fund, the Better Regions Program is nothing more than a Labor rort. Remember Ros Kelly’s whiteboard? That is what we are heading back to—because we know that in Labor areas their projects are being funded, whereas in coalition electorates ours have had their funding ripped away. Here they have $176 million worth of election promises to honour in their own key seats. We have just heard about what is happening in Braddon, and good luck to the member for Braddon, as I said—but at least he is getting his projects funded. There has been no application process and no paperwork except for the watchful eye of the Labor campaigners involved. This is the pot calling the kettle black, and local governments and community groups should not have to, and will not, stand for it.
This budget fails to tackle ever-increasing grocery prices, petrol prices and housing affordability, as we know. The Prime Minister founded his election on the needs of working families. We heard Mr Rudd say it over and over again, but it is exactly that group of people that Treasurer Swan’s first budget is hurting, as well as pensioners and small business owners. And Mr Swan says the Australian people are happy! What is that—‘happy talk’? I do not think so.

Since Labor was elected, the average mortgage has increased by $152 per month and petrol has increased by 12.8c a litre. In fact, since this speech was written, it has increased further. Health insurance premiums will soar with thresholds for the Medicare levy surcharge being increased; unemployment will go up; and there are new taxes on alcohol, cars and software. Thirty-eight per cent of Canning residents, or one in three residents, have private health insurance. I can assure you this will fall dramatically under Labor’s budget proposals, putting increasing pressure on WA’s already stretched public hospitals and waiting lists. The state governments are not happy. They want to know where the money is going to come from to prop up the state hospitals.

The Rudd-Gillard team seem keen to foster the emergence of an intrusive state, a nanny state. The term ‘nanny state’ was first used in December 1965, in Britain. Today it could not be more relevant. At that time conservatives warned that the lives of citizens were in danger of being overseen and overly directed by intrusive Big Brother bureaucrats that people had to bankroll through even higher taxes. This is what we are seeing under the Rudd government. Mr Rudd has a huge ministry and the ability to regulate and interfere in the everyday lives of ordinary Australians.

We are already seeing the higher taxing with mark-ups on mixed alcoholic drinks, or alcopops. Interestingly, one bottle shop near my electorate office was quick to warn customers of Prime Minister Rudd’s intrusion. Mr Deputy Speaker, I will demonstrate that with this photo I am holding up. I happened to go through the bottle shop the other day—and I suspect the owner is not a Liberal voter—and a sign out the front said: ‘Due to Mr Rudd’s new alcohol policies, all alcohol has increased in price.’ At the bottom it says, ‘Sorry for the inconvenience.’ This is going through all the bottle shops in my electorate, not inspired by me but by the bottle shop owners. They are outraged.

Going back to the issue of the ever-increasing cost of living—despite all of the Prime Minister’s promises, in his 22 May press conference he confessed that there was nothing more he could do to combat the problems. He said:

… we have done as much as we physically can to provide additional help to the family budget. Recognising that the cost of everything is still going through the roof. The cost of food, the cost of petrol, cost of rents, costs of childcare …

Where is the Labor Party’s plan? We know he has actually hoisted the white flag on this issue, from his own words. In fact, he probably deserves a white feather award. Mr Rudd inherited the strongest national economy of any first-term government in Australian history. Unemployment was at record lows, mortgage rates were low and real wages growth was well up. Thanks to the coalition, the government now has a $22 billion surplus.

The education revolution has been a farce. Primary schools will do it tough, with no new funding directed to them in the budget and the highly successful Investing in Our Schools Program axed. I have almost 40 primary schools in Canning, which I fear will be significantly worse off under this
government. These are schools I visit frequently that tell me of the things they were able to achieve with IOSP funding. Can we really rely on the state government to look after them now, to replace carpets or provide new desks? No. In fact, school maintenance has gone down.

Treasury has forecast that, as a result of Labor’s recent budget, the unemployment rate will close in on five per cent—we are going to get out of the fours now and go back to the fives—and around 134,000 Australians will lose their jobs. As the Leader of the Nationals pointed out last week, this is like everybody in Darwin being without a job. It is just unacceptable.

Not only are there going to be 134,000 jobs lost but the Labor Party is trashing the Work for the Dole scheme. In fact, what is even worse is they are combining it with Green Corps and, as a result, they are taking away the funding of $290-odd a week to participants in Green Corps. Instead of encouraging people in, they are going to coerce people into this, and they are going soft on those who do not want to work. We know that they are not going to be breaching as strongly as they are to get people back into work, and so the people will start manipulating the system. Under the coalition, wages were increased by over 20 per cent in real terms and two million jobs were created. During Labor’s 13 years, the increase in real wages was only 1.3 per cent. Of those two million jobs, 53 per cent were full-time positions.

In my last few moments, I would just like to mention two things that I have been fighting for and would like to see the Labor Party take on board. I have been fighting on behalf of people caught up in franchises. I have mentioned Lenard’s in this place before—deliberately churn out weak franchisees. As a result, these people lose their houses and often lose their marriages and lose everything. I am asking the new minister, the Hon. Dr Craig Emerson, to put forward the legislation—which we did not, I must confess—to toughen up the disclosure and transparency for people being involved in franchises. There are some real rogue operators out there, and we need to do the best that we can to make sure that people who think that they are going into a job creation scheme on behalf of themselves and who use their retirement funds to get into a small business do not lose everything. So I appeal to the Labor Party, and to the minister in particular, to have a really good look at this because there are people in really desperate situations.

Finally, Perth Airport is an absolute disgrace. I have written to Prime Minister Rudd about this, and I had a response from Minister Albanese. They understand this is a problem, and I encourage them to get on with it. (Time expired)

The DEPUTY SPEAKER (Mr KJ Thomson)—The question is that Appropriation Bill (No. 1) 2008-2009 be now read a second time. I call the member for Isaacs.

Mr Randall—I seek leave to table some documents, which I sought approval for from the previous speaker in this House.

Leave granted.

Mr DREYFUS (Isaacs) (8.39 pm)—The Commonwealth budget is an opportunity for a government to lay out a path forward for our nation. It is an opportunity for the government to address the challenges that our nation faces now and in the future. This budget demonstrates to the Australian people that this is a government which will fulfil its commitments on education and skills, its commitments on climate change and the environment, its commitments on infrastructure
and its commitments on health. It is a budget which does so in a fiscally responsible manner. The budget has delivered a surplus of 1.8 per cent of GDP. Together with the Prime Minister’s five-point plan to tackle inflation, this budget demonstrates that Labor is the party of fiscal responsibility and economic reform. It is a budget in the Labor tradition, which delivers for the people of our Isaacs electorate. It delivers for working people, for seniors, for pensioners and for those doing it tough.

I want to mention just a few aspects of the budget, starting with taxation. This budget delivers income tax cuts worth $46.7 billion over the next four years, announced prior to the last election. These tax cuts are directed to low- and middle-income earners, easing the pressure on working people and working Australians and on those seeking to re-enter the workforce. These tax cuts put real money back into family budgets, or individual budgets, of the people of my electorate of Isaacs.

Thousands of seniors in Isaacs will benefit from the 2008 budget. Many seniors in my electorate of Isaacs are doing it tough. They are under pressure. The failure of the previous government to deal with the inflationary pressures in our economy has hit those on relatively fixed incomes, such as pensioners and retirees, particularly hard. The Rudd Labor government understands the pressure that they face, and we believe that they deserve our support. The government has made available in this budget $5.6 billion over five years to increase the utilities allowance from $107.20 per year to $500 per year, to increase the seniors concession allowance from $218 per year to $500 per year and to increase the telephone allowance to $132 for those with home internet access. In addition, there is $1.4 billion for a $500 bonus to be paid to eligible seniors. As we have heard, the Prime Minister has specifically included retirement incomes and pensions in the review of taxation that is to be headed by the Secretary of the Treasury, Ken Henry.

On education and child care, the budget shows that these matters are of the highest priority for this government. Education and child care are priorities that the government shares with every single parent in our electorate of Isaacs, and I know this because all through 2007 that is what I heard from the people in my electorate. This budget is an education budget. After 11 years of neglect and underinvestment by the former government, this budget meets our election commitment to invest in education at all levels. In early childhood, there is $2.4 billion over the next five years, which includes more than $500 million to provide all Australian children with access to 15 hours a week of early learning programs for 40 weeks a year in the year prior to formal education. Through the childcare tax rebate, the government is helping parents meet the cost of child care. This is a $1.6 billion investment that will see the rebate increase from 30 per cent to 50 per cent for out-of-pocket expenses and will raise the cap from $4,354 to $7,500. Again, these are matters of great concern to people in the electorate of Isaacs, particularly young families in fast-growing suburbs like Carrum Downs, Skye and Keysborough.

This budget also demonstrates the government’s commitment to building a world-class school education system through the government’s $1.2 billion investment to deliver a digital education revolution, guaranteeing access to information and communication technologies for all years 9 to 12 students. There is $577.4 million to assist schools in improving student literacy and numeracy and $2.5 billion over the coming decade to build and upgrade school facilities so that all young Australians have the opportunity to study a trade at school. Again, this is of great importance to the people in my
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electorate and to people throughout Australia. This budget provides $4.4 billion to assist parents in meeting the education costs for their children, and, specifically, eligible families will be able to claim 50 per cent of key education expenses, with a limit of $750 for each primary school student and $1,500 for each secondary school student.

There is another area of great importance dealt with in this budget—that is, dental health. The Rudd government is providing national leadership in this area. It is an issue on which I have previously spoken, and one on which I campaigned strongly during the last election. One of the more miserly acts of the now departed Howard government was the scrapping of the Commonwealth dental health program, which ripped more than $100 million from the public dental system. It was a government action which directly affected people who could not afford dental care, and the effect of it was, of course, that many people stopped getting dental care altogether. For some people the legacy has been chronic illness and, at a more general level, a greater burden for the public hospital system. This budget is seeking to reverse that miserly act of the Howard government back in 1996 by committing $290 million over three years to re-establish the Commonwealth dental health program. This will help state and territory governments to fund up to one million additional consultations and treatments. As well, there is a commitment of $490.7 million over five years for the teen dental plan. In our electorate, these measures will help cut public dental waiting times, and services will be provided at the Central Bayside Community Health Service, the Greater Dandenong Community Health Service and the Frankston Community Health Service.

Turning to the budget measures that deal with the environment, I would refer to something I said in my first speech in this place: the need for us to care for the land and to think of the land as ‘our country’ in the Aboriginal sense of the word, a place to be cherished and nurtured. This budget has placed the care of our land, of our country, at the centre of national policy. It is a budget which directly addresses the challenges posed by climate change, delivering $2.3 billion to initiatives across government. What a relief it is for the people of my electorate—indeed, what a relief for all Australians—to have a government which wants to do something about climate change, which is committed to doing something about climate change and which has started to do something about climate change. The budget also commits $2.2 billion to the Caring for Country program, focusing on six areas of national priority. Importantly, for my electorate of Isaacs, which has a long stretch of coastline along Port Phillip Bay, coastal environments and critical aquatic habitats are areas of national priority for the Caring for Country program.

I turn to other matters of longstanding concern for me and which are dealt with in this budget, the first being legal aid funding. It can be said that this budget delivers in legal aid funding. Access to our justice system is vital to maintaining a fair and democratic society. Legal assistance at legal aid centres and at community legal centres can be the difference between social inclusion and social exclusion. Legal aid funding is important because it enables full access to justice for people who need it but are unable to obtain professional representation. Legal aid funding, the provision of legal aid, directly empowers people for whom, without legal representation, contact with the legal system would be potentially a terrifying if not a crushing experience. It can also be said that legal aid funding in fact saves money in other areas by aiding the proper working of the justice system and reducing the costs of running that system because of the function performed by professional representatives.
within the system. I am proud that the government is committed to improving legal services for the most vulnerable in our communities. Even at this time of fiscal stringency, the Rudd Labor government has increased funding for legal assistance, and it stands in stark contrast to the Howard government, which slashed legal aid funding in its first budget. This government has provided an additional $11 million for the Expensive Commonwealth Criminal Cases Fund. This will ensure that national security trials do not drain legal funds from other areas, such as family law, and it is likely to be particularly important in Victoria, where major Commonwealth criminal trials occur.

I should note also that prior to the budget the Rudd government announced a one-off $7 million injection to legal aid commissions, which included $1.9 million to Legal Aid Victoria in my home state. As well, the government provided a one-off $10 million injection to support the Commonwealth Community Legal Services program, which is notable because it is the largest ever injection of funds into the system, and $4.9 million into Aboriginal and Torres Strait Islander legal services. This funding will support the important work serving people in our electorate by community legal services, including in particular the Peninsula Legal Service, which will receive from this one-off support more than $270,000 in additional funding, including $250,000 for family duty lawyer services, a very important function at the Dandenong Court. The Rudd government will also—this has been announced by the Attorney-General—place the issue of legal aid front and centre in the work of the Standing Committee of Attorneys-General so as to work with state and territory governments on more effective provision of legal aid.

I last come to the provision that this budget makes in relation to consultation on human rights and civil responsibilities. In this budget the Rudd Labor government delivers on its election commitment to fund a national consultation process on human rights and civil responsibilities. Labor governments have always had a proud record on human rights. It was a Labor Foreign Minister and later Labor leader, Doc Evatt, who helped draft the Universal Declaration of Human Rights in 1948, which was the first piece of truly universal human rights law. It was a Labor government which passed the Racial Discrimination Act in 1975, a highly controversial issue at the time. It was a Labor government which developed the Human Rights and Equal Opportunities Commission and it was a Labor government which introduced the Sex Discrimination Act and the Disability Discrimination Act.

A Rudd Labor government is committed to the international law of human rights. The Attorney-General and the Minister for Foreign Affairs recently announced that Australia is beginning the process of ratifying the optional protocol to the Convention against Torture, the Convention on the Rights of Persons with Disabilities and the Convention on the Elimination of Discrimination against Women. All these international conventions were effectively ignored by the Howard government. As Australians we can do better. We will do better. The Rudd government has embarked on the process of working on these international conventions.

Our consultation at the national level on human rights and civil responsibilities will ensure that all Australians are given the opportunity to have their views heard on this critical question for our democracy. The consultation will provide the opportunity to talk about the rights which we value, the rights which we cherish and the rights which we want to protect. The $2.8 million commitment in this budget is the next step in Labor’s long record of protecting human rights. We know that community consultation can
be very effective from the consultation which occurred and led to the Charter of Rights and Responsibilities now enacted in my home state of Victoria. That community consultation was a process by which the consultative committee attended 55 community meetings and 75 stakeholder consultations and received over 2,500 submissions in just six months. It represented a tremendous dialogue on human rights throughout Victoria. We should praise the work of the consultative committee, which consisted of Professor George Williams, Rhonda Galbally, Andrew Gaze and Haddon Storey, who was a former Attorney-General in a Victorian Liberal government. The budget measure for a consultation on human rights and civil responsibilities will ensure proper consideration for how best to express and protect the rights and responsibilities which are fundamental to an equal, just, democratic and tolerant society, which is the kind of society we want for our nation.

Dr STONE (Murray) (8.57 pm)—I rise tonight in this debate on Appropriation Bill (No. 1) 2008-2009 to remind the new Rudd government that there is life beyond the capital cities. There was some expectation that they, the Labor government, would continue the legacy of the Howard government in committing adequate resources to protecting the environment, including the preservation of our native flora and fauna; the preservation of water and soil quality; the control of weeds and feral animals; measures to help us adapt to and ameliorate climate change; measures to sustain agriculture, to preserve our capacity to feed ourselves while still sustaining the landscape; measures to close the gap between the life experience of Indigenous and non-Indigenous Australians; and measures to enrich the cultural life of all Australians through the support of the arts and respect for social inclusion.

Sadly, in their first six months of government and in the framing of this, the first Rudd government budget, we are seeing the resources and programs previously committed to these critical sectors slashed or disappear altogether. The natural resource managers and environmental advocates, including those in both the public and the private sectors, the workers on the ground, the people in various research institutions, have had to sift through the rebadging and the rebundling to try and see the real picture. But now it is all too painfully clear, a few weeks later. Landcare, for example, that iconic 25-year-old environment and conservation flagship program, has 4,000 volunteer groups across Australia. For every dollar of government funding it has received in the past it has been able to leverage about $10 in private sector sponsorship and in-kind donations. Landcare has been lauded and emulated internationally. The Rudd government and the Rudd budget buried Landcare in their new Caring for our Country program, the new name for what was the coalition’s Natural Heritage Trust and National Action Plan for Salinity and Water Quality. The coalition of course delivered the biggest funding ever into these two programs, which we called colloquially NHT and NAP, because we understood the significance and importance of protecting and conserving Australia’s natural resources. It was the biggest funding ever committed by any government, the John Howard government, since Federation to natural resource and environmental conservation. Labor have not only buried Landcare within the Caring for our Country labyrinth; they have taken away 20 per cent of their funding.

Then there were the catchment management bodies, which the Howard government created to manage the NHT and NAP on the ground. We understood that it was essential to have the state officials, local volunteers and the agribusiness sector on the ground
delivering the programs through the NHT and NAP. We also expected these catchment bodies to integrate the state government contribution expected, which was at least matched grants in the case of the National Salinity Action Plan and in-kind contributions from the states to the NHT. These catchment management bodies have been slashed by 40 per cent in this new budget, but they are still expected to deliver in the same way. Chairs of the catchment management bodies—and these bodies are Australia wide—are already putting off staff. Ten have been put off in the North Central CMA in Victoria. Over $2.5 million has been slashed from the Goulburn Broken Catchment Management Authority, and that of course translates into human capital as well as programs. These bodies simply cannot do the job Labor apparently expects them still to do with 40 per cent less funding.

The CMAs, as they are often called, have been told that they can compete for some contestable funding to make up these shortfalls. CMA executives and chairs are now talking to the officials from the federal Department of Agriculture, Fisheries and Forestry and the Department of the Environment, Water, Heritage and the Arts and they are trying to find out where this contestable fund is, when they might expect to see it and how they access it. They are getting the same vague and blank looks that they get from each other when they try and find out what is going on, where the money is buried and how they can find out what their futures might be, because of course they have to pay their staff right now and they have to make decisions about the environmental funding on the ground. This is a not just a tragedy for the people who have committed themselves to sustain our natural resources but a tragedy if you think of the way, very quickly, weed reinestation occurs and feral animals take back control over a lot of native habitats.

You give up on the environment for a period of government—in this case, the Rudd government—and it takes generations to win it back, if you can at all.

Minister Peter Garrett went off to an OECD conference in Paris in April this year. In his speech there he boasted about a program the coalition had introduced, the Environmental Stewardship Program. Many environmentalists sighed with relief when they read these words uttered in Paris on 28 April, because they thought, ‘Well, although the minister for environment, Peter Garrett, has been missing in action since his election to the ministry—refusing to see delegations or to travel to regions, despite the pleading of drought ravaged communities—at least the Environmental Stewardship Program must be safe.’ I will read you Mr Garrett’s words:

Australia has recently launched an Environmental Stewardship Program which focuses on the long-term protection, rehabilitation and improvement of targeted environmental assets on private land. That was a bit of a con because, of course, it was not recent—the coalition had launched the program at least five years before. But, nonetheless, he went on to say:

Land managers are selected through auction, tender and other market-based mechanisms. We expect significant private investment to emerge from this initiative, engaging in partnerships with Governments, NGOs and landholders.

As I say, these were words of real comfort to the Australian agribusiness sector and environmentalists who thought, ‘At least Mr Garrett understands the Environmental Stewardship Program’s significance,’ What happened a few weeks later in the Rudd budget? The Environmental Stewardship Program lost its funding. It disappeared without a trace. There was not a murmur. Gone. So you have to wonder to yourself: was it that Mr Garrett lost the battle in caucus or wherever they do the final budget deliberations, or was he missing in action there too and did not
even make representations in relation to the program he boasted about in Paris just a few weeks before?

Sadly, we have this issue of slashing and burning right through the environment sector. We have the Bureau of Meteorology having to do with much less. It has to take $5 million out of its weather measures because of the extra two per cent efficiency dividend, so-called. Of course, speculation on staff cuts are rife, including in particular in the severe weather warning area. As we know, with climate change you get a lot more severe weather in the form of storms. Our capacity to forecast and let the community know about storms approaching is now severely impeded by the fact that they are going to have to slash their staff in those areas.

We of course have ongoing concerns about the whale envoy and whale monitoring. There is no funding there. The government has reneged on a key election commitment to take Japan to the International Court of the Justice with regard to whaling. We can see that it was all froth. Labor was taking advantage of a bit of a quiet time over Christmas in the media. There was no real commitment to saving one of our iconic, endangered species.

Community Water Grants have gone without a trace. We can go on and on and talk about the EnviroGrants. Right throughout Australia we have had EnviroGrants from a fund that is now supposed to be embedded within Labor’s new Caring for Country. We have searched through the spaghetti of Caring for Country to see some trace of the old $135 million Envirofund, which dealt out to small community groups, even individuals, funds for, say, revegetating a rocky knoll which was the last known habitat for a particular species—that sort of thing. The EnviroGrants are not to be found. They have disappeared without a trace.

Let me move on to the arts sector, a sector where I am also responsible for trying to keep the new Rudd government honest. Mr Garrett was a shadow minister for arts when the Howard government was in power. He is now the Minister for the Environment, Heritage and the Arts. There was an expectation, because Minister Garrett does himself have a performing background, that he would have understood the importance and significance of arts funding—for both the performing and visual arts. Would you believe it, before the budget was even announced, we saw over $50 million slashed from the arts budget. This included the disappearance of the Australia on the World Stage program. It disappeared. This supported our cultural diplomacy. This assisted performers to show themselves as some of the world’s best in international places where our reputation could be built. There is no new funding for young and emerging artists. We have seen Screen Australia established. That was of course a coalition initiative. But there are going to be 28 jobs slashed, even though Mr Garrett announced, and it is in writing supported—

The DEPUTY SPEAKER (Mr KJ Thomson)—Order! The honourable member has transgressed standing order 64 a number of times. I request that she refer to other members by their title.

Dr STONE—I beg your pardon, Mr Deputy Speaker. The Minister for the Environment, Heritage and the Arts has stated previously that there would be no staffing implications or disadvantage in transitioning to the new amalgamated Screen Australia. In fact, there is a loss of 28 jobs. The Minister for the Environment, Heritage and the Arts has also presided over the slashing of Chamber Music Australia’s funding. There has been the defunding of CrocFest, which was one of the major ways in which young Indigenous students saw, some of them for the
first time, Indigenous and non-Indigenous performing artists of world standing. The list goes on and on. We have had the Regional Arts Fund slashed by $11.7 million over four years. That is such a drop in funding that they now doubt that they can in fact get in those buses, fuel up—given the cost of fuel—and travel across the nation and deliver a real experience of the great cultural variety, performances and visual experiences that city people get and can quite readily access, because they can jump on a tram, bus or train. With the regional arts fund slashed we ask: what about social inclusion? What about an experience for people in areas where they must drive for perhaps four hours to a local concert and for people who do not have the means to pay $120 or $130 for a ticket to go to the opera? Regional arts funds have been slashed. I think that is an extraordinarily cynical and uncaring move, especially given the terrible times a lot of eastern Australia is still experiencing with drought.

Then there is the resale royalty scheme. This has long been on Labor’s agenda. It is one of their policy commitments, so we were not surprised to see it in the budget. What we were surprised about is that there is only $1.5 million over four years to implement the resale royalty scheme. How on earth can that amount of funding allow you to set up an administrative regime and the communication, information and education program that is necessary so that artists, gallery owners, wholesalers, retailers and the private sector understand what this scheme is all about? How is it going to ensure that Indigenous artists make their last wills and testaments so that the resale royalty scheme for art can be real when it comes to Indigenous artists? The coalition, of course, actually funded the writing of wills and sent people out into the communities, the remote Aboriginal settlements, to help them write their wills. There is no money for continuing that work in this Rudd budget.

I have to say that this is deeply disappointing for those who expected much more, because they had believed the hype. They believed the slogans. They understood that the minister for arts—who is himself an artist, a singer of renown and a performer—would be more sensitive or perhaps more persuasive when it came to continuing the extraordinarily high level of funding that the coalition had delivered to the arts. What they have had is a real slap in the face and I feel very sorry about that. I have to say that the broken election commitments do stack up. The National Institute of the Humanities was not funded. There is no funding for the theatre and dance strategy of the Australian Council for the Arts, and the ArtStart program for artists’ welfare was not funded.

There is a lot of explaining to do, so it is no wonder that the minister for arts is missing in action when it comes to engaging the arts community. He is invited, he is begged to come and talk about the impacts of these program cuts. He is asked politely if he would like to come and see some of the performances so he can value the different forms of artistic endeavour from both our young Australians and those who are now of world, professional standard. But, just as he is on the environment, the Minister for the Environment, Heritage and the Arts is missing in action. He is probably best portrayed as the silent minister.

When it comes to Indigenous affairs in terms of the performing arts and Indigenous artists, the coalition was most keen and was in the process of ensuring that there was a code of conduct in regard to the treatment of Australian Indigenous artists. There were programs developed to ensure the authenticity of works and to help with their copyright protection, particularly from potential do-
mestic and international copyright breaches. None of that work has been funded for con-
tinuation and, again, I say that that is a huge
disappointment. I, along with the shadow
minister for family and community services,
have been charged with keeping a close eye
on Indigenous affairs and I am very pleased
and honoured to have this role of ensuring
that Australia’s Indigenous peoples have a
fair go and that we do close the gap in life
expectancy, education, training, and em-
ployment. I often see ongoing discrimination
when it comes to someone giving an Indige-
nous person a fair go as they step through the
door and look for a job.

As you know, we responded to the Little
children are sacred report some six months
before the last election, when that report was
delivered in the Northern Territory. We set in
place one of the best funded and most ambi-
tious rescue programs ever for a set of com-
munities in the Northern Territory which
were in such a state that I think most Austra-
lian were in such a state that I thinks it
shocked and dismayed most Australians. The
coalition said that we would stop pornogra-
phy and we would change the permit system,
which excluded grey nomads, journalists and
travelling non-Indigenous Australians from
visiting those places, going into the local art
gallery and visiting the community store. We
said we would change the permit system so
the places you would normally expect to visit
in an Australian country town were also ac-
cessible to you as a drive-through visitor. Of
course, no sacred places, no private homes
and nothing off the actual public place regis-
ter could be visited.

This business of the permit system was
shamelessly attacked during the election
campaign as an attempt by the coalition to
have blow-ins go to sacred places and so on.
We have seen the permit system watered
down and once again we will have apartheid
in the Northern Territory—where Australians
who wish to travel, may not, where again it
will be out of sight and out of mind for the
most impoverished, and where the most un-
acceptable housing and infrastructure will go
unseen and perhaps again be neglected, be-
cause this new Rudd government has chosen
to reinstate the permit system as it was be-
fore.

The Labor government has also said por-
nography is okay as long as it is only up to
30 per cent of content on pay TV. We say no,
that is not at all what the Indigenous com-
munity wants and has said to us; we are ap-
palled by this change. We are also very con-
cerned that there is now going to be an al-
lowable condition where you can drive por-
nography or indeed alcohol through those
settlements and there is not an offence com-
mitted if you do that. I am concerned that,
while we have had ongoing funding for the
emergency response, it is $20 million less
and there is a relaxing of the pornography
and alcohol bans and a reinstating of the
permit system.

But perhaps I am most concerned about
the employment prospects for Indigenous
Australians right across the country, particu-
larly in those emergency communities. There
was a program running there—CDEP—
which only helped about 20 per cent of the
unemployed population in those settlements.
They were the lucky ones—the men
mostly—who had a little bit of work in re-
turn for welfare. We said that that was not
good enough and meant generations of peo-
ple would be sitting down in the dirt and do-
ing nothing. It sapped their sense of inde-
pendence and self-esteem. It has emasculated
the men and driven the women to despair. I
am very disappointed to see that the CDEP
program is not going to be abolished and
replaced with real job seeker support and
employment prospects. I ask that the Labor
government rethink that shortsighted and

CHAMBER
disadvantaging policy that they seem hell-bent on. *(Time expired)*

**Ms GRIERSON** (Newcastle) *(9.17 pm)*—I am pleased to speak on Appropriation Bill (No. 1) 2008-2009, and related bills, for the first budget of the Rudd Labor government. Let me put on the record my admiration for the Treasurer, the Minister for Finance, the Prime Minister and, of course, the support team behind those people, for the package they presented to this country on 13 May this year. It delivered an excellent Labor budget aimed at addressing Australia’s current economic circumstances, delivering on Labor’s election promises, particularly for those in need, and investing in the future for all Australians. It is a responsible budget that delivers for working people. In this budget we have delivered on our commitment to help working families with the cost of living with a $55 billion family support package. This package delivers on personal income tax cuts that provide incentives for individuals to participate in the workforce. These are important and responsible tax cuts for those who need them most. For low- and middle-income earners in my electorate of Newcastle they will be very welcome. With the average annual income of $43,000 to $44,000, these are people who have waited a long time for some support.

This support package will also provide eligible parents with a 50 per cent education tax refund and a 50 per cent childcare tax rebate. Having the childcare tax rebate paid every three months instead of once a year is also a significant benefit to families. It helps them with the most important task they have: ensuring that their children get the best possible care and education.

Another issue of importance to families is health care. The working families package, which delivered $491 million to the Teen Dental Plan, $220 million to establish GP super clinics and $3.2 billion for health and hospital reform, is one the public of Australia have very much appreciated.

We have delivered on our commitments to make it easier to save, to buy a first home, and to increase the supply of affordable rental housing. We have also expanded the eligibility for the carer payment, the utilities allowance and the $1,000 lump sum bonus. In all, the budget has provided $2.4 billion to Australian seniors and carers, with the seniors bonus, utilities allowance and telephone allowance making pensioners more than $400 better off this year than they would have been. However, we do realise that our pensioners are doing it tough and that is why the adequacy of pensioner and retirement incomes will be thoroughly examined in detail as part of the government’s review of Australia’s tax system. Certainly, one of the main things we can do for pensioners, and indeed for all Australians, is to put downward pressure on inflation. In this budget we are addressing inflation, running at a rate of over four per cent right now, by delivering a strong surplus of 1.8 per cent of GDP. Every dollar of new spending has been more than matched by spending cuts. Growth in real spending will be 1.1 per cent in 2008-09—the lowest rate for nine years. By putting downward pressure on inflation, we put downward pressure, we hope, on prices and interest rates.

We have also established three new nation-building funds: a Building Australia Fund, Education Investment Fund, and a Health and Hospital Fund. These funds will provide around $40 billion for future capital investments, to modernise and reinvigorate the Australian economy, tackling the productivity challenge. For the first time in 13 years, this Labor government has well and truly dealt the Commonwealth back into the nation-building game. After the ‘never, ever’ and the non-core promises of the Howard
era, the Rudd government has also got the Commonwealth back in the business of keeping its promises.

In Newcastle those promises are worth a great deal to us. For Newcastle, in the area of climate change it means the budget delivered on the commitment of $100 million for solar research, to be administered by a new Australian Solar Institute, building on the work of the CSIRO in Newcastle. It also means $25 million supporting clean coal and advanced fossil fuel technology development. In Newcastle, the exporter of the largest volumes of coal in the world, we know that getting clean coal and other low-emission technologies right is important—not just for us but for the nation and the world. So I note that the Minister for Resources and Energy has recently released draft legislation for the world’s first carbon capture and storage regime. This is a very positive step towards creating an environment in which industry can confidently invest in CCS projects and support the commercialisation of new technologies that move us closer to our goal of sustainable energy in our region and our nation.

Similarly, the investments we have made in solar research will help to demonstrate solar thermal technology, integrate solar into alternative fuels production, develop solar for hybrid applications and develop other advanced solar technologies. In Newcastle, I am proud to say that we do stand ready, willing and able to play our part in a sustainable energy future.

The budget also delivered on transport and infrastructure for us, with $15.76 million for the Weakleys Drive interchange, helping to finish this vital project in the north-western part of my electorate. There was $15 million to complete planning for a dedicated freight track between Strathfield and Newcastle—extremely important to relieve pressure on the F3 freeway and to get goods quickly to ports. The budget also provides for improved security screening at regional ports, including at Newcastle. In the area of defence, supporting RAAF Base Williamtown in my electorate, the budget set aside $15.4 million for capital works projects.

In education, one of the most significant announcements for us was the $13.7 million grant for the University of Newcastle to improve its infrastructure and facilities, helping it to invest in areas of priority and to further develop its reputation as one of Australia’s most innovative education institutions. I note the positive comments from Newcastle university’s vice-chancellor about this grant and also about other aspects of the government’s higher education package, which certainly does invest in an education revolution for our universities.

In the sport and recreation area, the budget finalised Labor’s commitment in the last election campaign of $10 million to help upgrade EnergyAustralia Stadium. This $10 million provided by the Rudd government, along with an additional $20 million announced today by the New South Wales state government, will allow the absolute completion of the upgrade of our stadium to a world-class 33,000 fixed-seat facility. This is a great outcome for EnergyAustralia Stadium, for our sporting teams and for all their very loyal fans. It is also a great boost for our regional economy, putting us in a position to bring bigger and better events to our region. The Prime Minister has flagged that the federal government will support a 2018 World Cup bid, and the upgrade in Newcastle means that we now have a sporting chance of being a part of the biggest sporting event in the world, and certainly any other international competitions that come our way. I have lobbied hard but I congratulate the people of Newcastle in my electorate. I particularly pay tribute to Ted Atchison and the
Hunter International Sports Centre Trust for their ongoing commitment to building the case and the community support for an upgraded stadium.

In the area of health we have not only delivered on our commitment to make the Calvary Mater Hospital’s PET scanner Medicare eligible but also committed $1.5 million in the 2008-09 budget for a one-off grant to support upgraded PET facilities at the Mater. PET is a highly advanced medical imaging technique which produces three-dimensional images of the body. It is particularly useful for designing the best course of treatment for cancer patients and is also used for the assessment of other conditions, such as epilepsy. The government funding will help the Calvary Mater Hospital to buy radiopharmaceuticals, increase radiation shielding, upgrade equipment and buy the new PET scanner. A further $700,000 will fund Medicare rebates for the additional PET services that will be provided by the improved facilities.

This is something that we have lobbied hard for for over three years. At the 2004 election the Labor opposition did pledge to support PET scanners and provide Medicare licensing for them. In 2007 we again made that commitment, dragging the member for Paterson to match that. I am proud to say that the Minister for Health and Ageing, Nicola Roxon, has gone far further than just giving a Medicare licence. We will now have an outstanding facility servicing not just the people of Newcastle and the Hunter region but also, of course, the people of the whole North Coast and the New England area. This is a great outcome for patients in Newcastle and in the wider region who travel to the Mater for diagnosis and treatment. We are delighted that health is a very strong commitment for us. We will see two super clinics coming into the region in my colleagues’ electorates. They will certainly assist with the shortage of GPs that we have been experiencing. The budget also secures funding for the GP access after-hours service in our region, one of the first in Australia and certainly a model for the rest of Australia. So it was a great budget for health care needs. I am pleased to see that Newcastle is also receiving funding for a new childcare centre in the Hamilton-Merewether area of my electorate. It is one of the identified areas of need and one of the first of the 38 childcare centres that will be delivered across the country as part of the government’s $114.5 million funding stream.

So for us it was an outstanding budget, one that rewarded Newcastle people for their loyalty but also rewarded their effort in putting forward their regional case and their case as a regional capital for the leadership they provide in so many portfolio areas. This was a great Labor budget that delivered on the commitments we made to the people of Newcastle at last year’s election. It delivers some hope for the big issues and the big projects that we need to keep looking forward to and lobbying for and working hard towards.

In my electorate we are pleased to see that the Health and Hospital Fund for medical research facilities will be a way forward for the Hunter Medical Research Institute to apply for its very much needed funding. The budget also has an allocation for a scoping study for building a Federal Court in Newcastle. That means that we will put in a submission to the 2009-10 budget. We are very much looking forward to support for that submission to build a new Federal Court facility, a 10-court facility. At the moment we have four courts. We are suffering the highest number of security incidents and risks in the country due to the space restrictions and the pressure that puts on the users of our Family Court. Newcastle is a growing city and has a university with a law faculty. The recommendation from the Family Court of Australia is that it be the priority for the next Federal Court of Australia. It is wonderful to
have opportunities to support such worthwhile endeavours.

In conclusion, this was a budget that was good for the nation, that was good for Newcastle and that certainly invests in our future. I will keep working with my electorate to deliver the best possible cases to this government. Keeping in mind the tight fiscal environment that we are operating in this year, that we have been able to achieve so much in one budget is something that I think the Australian public, if the opinion polls are to be relied upon, do appreciate. We will keep working on the future and, with a Labor government, I know that future will be much better.

Debate adjourned.

**ADJOURNMENT**

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (9.29 pm)—I move:

That the House do now adjourn.

**Fadden Electorate: Gold Coast Waterways Authority**

Mr ROBERT (Fadden) (9.29 pm)—I rise this evening to call for the immediate reintroduction of the Gold Coast Waterways Authority and the immediate dredging of the Broadwater and associated waterways. The Gold Coast Waterways Authority was abolished by the Queensland state Labor government and must be reinstated. It was, as a local community based expert management group, there to ensure recreational boating safety, ecological management and effective navigability of our waterways. The Gold Coast has the highest number of boat registrations in Australia with all registration fees going into state Labor consolidated revenue. Estimated revenues from the department of transport for 2007-08 are something like $300 million, of which $3 million are from the Gold Coast alone.

Last Friday and over the weekend I was privileged to go to the International Boat Show at Sanctuary Cove in the electorate of Fadden. Fadden is the fastest-growing federal electorate in the nation. The show there is worth somewhere between $90 million and $120 million to the Gold Coast and showcased some of the finest boats made in the world, many of them made right there in the electorate of Fadden. I publicly thank Barry Jenkins for all his work and effort in making an outstanding result out of the Sanctuary Cove International Boat Show.

Furthermore, there is at present 1,600 marina berths on the drawing board over the next few years—just to give the House an idea of the size of the marine industry on the coast. I think the issue is best summed up by the *Marine Business News* of 5 May 2008:

Following the third and final meeting of the stakeholders in the ‘Gold Coast Waterways Access Needs Study’, the findings will be tabled by consultants GHD and channelled into a broader Queensland Marine Infrastructure study. After 12 months vigorous debate and study, there is still no time line on the implementation of sorely-needed dredging and reclamation of the Gold Coast’s canals and waterways, leading some participants to lament that by the time something is eventually resolved, it will all be too late for the tourism and recreational industries of the region.

Those involved in the discussion were the Gold Coast City Council, Queensland Small Craft Council, Queensland Charter Vessel Association, the Marine Industry Association, Volunteer Marine Rescue, Queensland Transport, Marine Safety Queensland, Marine Gold Coast and Marine Queensland. The aim of the study was to identify channel dredging needs within the district between Coochiemudlo Island in Moreton Bay and Southport Yacht Club on the Broadwater. It was introduced last year by the former Min-
ister for Transport, Paul Lucas, with the intention of presenting it to the cabinet before December 2007. It is now May 2008, and stakeholders are no closer to formulating a plan for prioritising the areas, estimating costs and devising recommended revenue-raising options for a 20-year dredging proposal, which has an approximate price tag of $40 million over the time. But due to delays, extreme buck-passing and complacency by the Labor government in Queensland, there is no date in sight for work to commence. Some of the main proponents, who wished to speak anonymously, estimate there will be severe economic penalties to the Gold Coast of around $220 million in lost earnings over the next 20 years.

In the face of this, it does not take rocket science to say to the Labor state government in Queensland: ‘Do something now! Do something now—dredge the Broadwater and associated waterways and reinstate the Gold Coast Waterways Authority.’ The insurance industry lent its voice to the dredging debate—one company presenting figures that showed shoaling and damage to boats currently costs $1.3 million in payouts per annum, or $5,000-$10,000 for each claim. Industry figures estimate the total insurance payouts stand at $4 million each year from incidents.

According to one industry pundit involved in the waterways plan, John Mickel, the Queensland Minister for Transport, Trade, Employment and Industrial Relations, has no interest in public transport for the Gold Coast. Something needs to be done now. Likewise, speaking to Paul Mcloughlin, CEO of EcoSmart, a company on the Gold Coast, the move to means test the solar panel rebate has meant business in his firm dropping by over 50 per cent, and it is similar right across the Gold Coast. The means test on solar panels is a mockery on the need for clean energy. I demand that the government reassess their view and take away the means testing that is stripping the solar panel industry away from the Gold Coast and hurting companies like EcoSmart that have led the way in cleaner, greener energy. (Time expired)

Budget

Mr TURNOUR (Leichhardt) (9.34 pm)—At the heart of the Rudd government is our plan for an education revolution. This morning I had the opportunity to catch up with the Prime Minister in his office to talk about the budget and how it was going down in Leichhardt in tropical North Queensland. The first thing he asked me was how the education components of the budget were being met by families and schools in tropical North Queensland—in Cairns, Cape York and the Torres Strait. I have been getting around to my local schools and I was glad to be able to report that the education tax refund, the trades training centre plans, our plans for a digital revolution providing computers to high school students in years 9 to 12 and our plans to connect every school to high-speed broadband are all positive plans that have been very well received by families, teachers and school communities in general.

It is a credit to the Prime Minister that at the heart of what we are doing as a government is education, because there is nothing more important as a member of parliament than to be able to provide every child—no matter what their social, cultural or financial background—with the opportunity to reach their potential. Part of the reason I got into politics and one of the reasons that I will continue to strive as a member of parliament is to make sure that we can provide children with the opportunity to reach their potential in life. We put forward an agenda that goes from early childhood education through to primary school, high school, vocational education and university to ensure that we are...
providing a pathway for students to reach their potential.

This evening, I had the opportunity to participate in the policy forum dinner organised by the Christian schools. I was the guest of Peace Lutheran College principal, Mr Rob Fysh. It was great to sit down with Rob and talk about some of the positive work that his school is doing with Indigenous children. They have got about 90 boarders at Peace Lutheran College in Cairns and about half of those are Indigenous students. Some students are coming down from Hopevale, which has a strong tradition as a Lutheran mission and is connected to the Peace Lutheran School. The school is providing them with opportunities to grow and to reach their potential. I take my hat off to principals like Mr Rob Fysh.

Coming back to the Prime Minister, one of the first things he asked us to do when we became members of parliament was to visit schools. I have been continuing to visit schools in my electorate since then. I have got a broad electorate that includes Cairns, Cape York and Torres Strait. There are more than 70 schools in my electorate, according to the website of the Queensland Department of Education, Training and the Arts. When getting around those schools you meet some great characters and see some great activities and events being run by them.

Up in Torres Strait, the head of the Tagai State College, Mr Don Anderson, is providing great leadership to that community. Over the last few years Don has drawn together a range of schools on individual islands across Torres Strait into a single campus, the Tagai State College. He is providing huge leadership to that school and we are seeing improvements in education and in attendance at the school. There is a real connection happening between those schools and their communities as a result of the leadership provided by Don and his team. I take my hat off to them.

I have had the opportunity to go up to Cape York and visit Aurukun, Western Cape College in Weipa and Kowanyama State School, where I met and talked with principals and students. They are doing a fantastic job in difficult circumstances.

Catholic Education, the independents and the state schools in Cairns are all doing a great job working with students and families to ensure that children have opportunities to reach their potential. But they need a government that is going to put education at the centre of what we do. That is what the Rudd government is about. We are making sure that education is at the centre of the government’s plans for the future and we will continue to invest in it.

I have already talked about some of our commitments from the election. The other thing that came out in the budget was the Education Investment Fund—a fund that will provide $11 billion to build for the future and enable us to continue our work in implementing our education revolution. We are supporting students, parents and teachers in creating a first-class education environment.

**Water**

Mr HUNT (Flinders) (9.40 pm)—I rise this evening to address the issue of clean water challenges around Australia. In particular, we have two fundamental policies of importance here: clean rivers and clean coasts. I want to start on the issue of clean rivers by firstly addressing a problem confronting the Tamar River in Launceston. Last Thursday I had the honour and privilege of visiting the Tamar River, accompanied by Senator Eric Abetz. Importantly, we visited many locals who are concerned about the health of this important river. It is the main artery of Launceston; it is fundamental to and the life blood of this magnificent city.
Yet people such as Alderman Graeme Beams, who is a member of the Launceston City Council, the mayor, who was in attendance, and many others, were greatly concerned about the fact that there was no funding of a mere $200,000 to oversee a study of the massive silting problem that is clogging this artery at the heart of Launceston.

It is time to ensure that the member for Bass does her duty and represents the people of Launceston in Canberra and not be Canberra’s lackey in Launceston. The clear message that came to me from Alderman Graeme Beams, from the mayor and from others was that this siltation study was fundamental to a long-term plan to clean out the problem of massive silting at the confluence of the North Esk and South Esk rivers.

We have a very strong history on this front. We promised the $200,000 in the lead-up to the last election. On the day, Senator Eric Abetz and I reaffirmed our commitment to the $200,000 for the future if the current government will not meet Launceston’s needs. Importantly, we also provided $3 million for bank stabilisation work including a hard edge for the northern bank of the North Esk, which runs into the Tamar. This work is underway and I witnessed it firsthand. I commend the people who have been commissioned to do the work by the Upper Tamar River Improvement Authority, UTRIA, and I commend the authority itself. I believe that this work is evidence of the practical initiatives that can be undertaken.

So the message is very clear: $200,000—approximately $6 per resident in Launceston—is all that is required to set in place a long-term plan for the clearing out of this terrible silt problem, which affects water quality, the viability of this river and the recreational quality of life for every Launceston resident. The message to the member for Bass is very clear: ‘Stand up for the people of Launceston and stop being a lackey for Canberra. Your task is clear as a member of the House of Representatives. You have to stand up for your own people.’

This brings me to the second water quality issue—that of Gunnamatta. At the south end of the Mornington Peninsula on the shores of St Andrews Beach we see a very clear problem. The Gunnamatta outfall, which the Victorian state government had promised to close over six years ago, continues to discharge 150 billion litres a year of class C water—420 million litres every day or 17 million litres an hour—which is hardly treated for any real purpose. It is dumped as waste water. This is a monumental waste of water and it is polluting our coast. It is symptomatic of a problem that is in evidence in the Labor states around Australia. It is a problem that we set out to fix, but the new federal government has turned a blind eye to it.

Our message is clear. The Clean Ocean Foundation was offered $1 million by the then Liberal-National government. That money has not been made good by the current government. They were to do a study of Australia’s 140 ocean outfalls. It is a very important task. It is a cheap way of doing it and it would be a wonderful project. I say to the new government: clean up the Tamar, do the silt study and allow this other group, the Clean Ocean Foundation, to put the pressure on state Labor governments around the country. We deserve clean coasts. The best example I have seen is in Kiama, and I commend both studies to the federal government. (Time expired)

Corio Electorate: Geelong Northern Community Hub

Mr MARLES (Corio) (9.45 pm)—How we as a nation seek to meet the challenge of social inclusion today will have a dramatic effect upon the next generations, who will
inherit our country tomorrow. It is with an acceptance of the importance of this challenge that I seek to inform the House tonight of the Northern Community Hub, a project developed by the Geelong Ethnic Communities Council—also known as Diversitat. It is a project which I believe may yet prove to impart a model for all Australian societies seeking to implement strategies and devices orientated toward greater social inclusion and cultural understanding in our communities.

The Northern Community Hub is an initiative borne of over 10 years of research and planning on the part of Diversitat. Its fundamental aim is to provide support services to multicultural and disadvantaged communities in Geelong’s northern region at a yet-to-be-constructed multipurpose facility which will be the product of unified support and funding from all three tiers of government. Such unified support is not only a reflection of the importance of this project to the suburbs of North Geelong, and in turn the Greater Geelong region, but also a supportive acknowledgment of the methodology and approach of Diversitat to its past and current service areas, and this project in particular.

Diversitat, as its name suggests, is an organisation that aids the diverse multicultural society of Greater Geelong, representing over 38 local interest and community groups, promoting social inclusion and cultural awareness through various services and support schemes. A synoptic observation of their programs shows an array of initiatives covering areas such as immigration; welfare and community development programs; aged care services; arts and event management; youth, training and employment services; promotion of organic living and creative recycling, and management of Geelong’s only community radio station, the Pulse.

The Northern Community Hub shall build upon what is an impressive performance history on the part of Diversitat, using its established position within the community to draw together the necessary resources to give what is an ambitious project every possible chance of success. There is also historical significance in the location earmarked to accommodate the project, the former site of a migrant hostel which now houses Spanish, Filipino and German social club rooms. It is also a stone’s throw from the expanding Wa-thaurong Aboriginal Cooperative, as well as other community service organisation, providing close proximity to the populous it shall service and the community groups with which it shall work in tandem.

In keeping with Diversitat’s vision of empowering individuals and communities to reach their full potential, the hub shall be a varied institution seeking to meet an array of public and community needs, and supplying an equally diverse range of benefits. In the words of Diversitat, it shall seek to encourage greater participation in social, learning, recreational, cultural and civic activities for all age groups, from youth through to aged care in the area. It shall improve the surrounding environment by providing an identifiable piece of community infrastructure that will contribute to the renewal and regeneration of the immediate area—a beacon for civic pride in neighbourhoods weighted by the disparity of socioeconomic status and too often bereft of this type of investment.

The hub will aim to address some of the needs of an ageing population—particularly the migrant population of the 1950s and 1960s, which constitutes a large portion of the local populous—by providing improved facilities and increased capacity to assist in the development of planned activity and social interaction programs. It shall increase patron safety, particularly after hours, at the existing DW Hope site, through greater use
of the space, with an anticipated increase in daily patronage, as it houses much needed meeting and social interaction space for the region’s newer, smaller ethnic communities, who do not have their own established facilities—such as persons of Sudanese, Liberian, Chinese, Thai, Indian, Indonesian, Bosnian and Burmese heritage.

Indeed, the hub will provide a focal point for the Geelong region. It is an institution through which a community can channel its efforts of seeking to understand the diverse cultures that inhabit its neighbourhoods, and a place at which those cultures can come together to understand the history and dynamics of the community they now call home. It is a project deserving of the commitment of all tiers of government and, as previously noted, it has received that support. For its part, the City of Greater Geelong donated the land title for the site on which the hub will be built. The Brumby state government has committed $1 million in funding and philanthropic organisations have contributed over $150,000 to date, whilst the Rudd government’s commitment of $1.5 million announced in the budget a fortnight ago ensures the project is now fully funded and ready to commence. (Time expired)

Cowan Electorate

Mr SIMPKINS (Cowan) (9.50 pm)—Good evening or good day, perhaps, and ‘dobro den’ in the Macedonian language. Tonight I rise to speak of the main interest of the people of Macedonian heritage who live in my electorate of Cowan. This is even more important because of my role as the deputy chair of the Australia-Macedonia parliamentary friendship group. Of course, this group is not called quite that. I believe it is officially called the Australia-Former Yugoslav Republic of Macedonia parliamentary friendship group. Those who originally come from the Republic of Macedonia, while they consider themselves Macedonians, in this country are officially referred to as Slav Macedonians. I can assure you that Macedonians have a great deal of trouble accepting ‘FYROM’ and ‘Slav Macedonians’ as descriptors of their homelands and themselves. In my involvement with the Macedonian community in Cowan and in the northern suburbs of Perth they regard these terms as offensive and insulting.

Being born in Australia, with several generations between me and family links to England and Ireland, I cannot truly appreciate their feelings on these points. Perhaps I can spend a short time bringing these terms that apply to Macedonians into something the rest of us can truly appreciate. To begin, I and no doubt everyone else in this place takes great pride in being Australian, as do my Macedonian friends. This is the Commonwealth of Australia and we can also take pride in that name. Australia is not called the ‘Former British Colony of Australia’ or the ‘Former British Colonies Constituting the Federation of Australia’. Why is this so? It is because the founding fathers of this nation enshrined the name Australia and the Commonwealth of Australia as the name of our country. As was their right, Australians made that decision—no-one else.

We stand up for our right to make this most fundamental of decisions, and we expect the rest of the world to call this country Australia. I know that I would be insulted and outraged if we were called the ‘Former British Colony of Australia’ or the ‘Former British Colonies Constituting the Federation of Australia’. Perhaps then we can begin to understand that somehow the use of FYROM is insulting and that Macedonians have a very big problem with it. But I will come back to that before the end of my speech.

The other point I wish to raise on this occasion is the description of Australians who
originated, or whose family originated, in Macedonia. Australia officially refers to those who come from the territory of the Republic of Macedonia as Slav Macedonians. I struggle to think of another ethnic group in Australia where we define them by race. I know that no-one officially calls me an Anglo-Saxon Australian or an Australian of Anglo-Saxon British heritage. In a recent gathering of Macedonians in my office, I was speaking to Mr Slobodan Binevski, an artist and historian, who not only reiterated the point about the insulting term Slav Macedonian but also made it clear to me that Macedonians are not Slavic but are literally Macedonians and are descendants of the same race and people that have been resident in that area of the Balkan peninsula for more than 2,500 years. I will make Slobodan’s point here—that while there were city states further south of Macedonia, it was in fact a nation of size and significance some 300 to 400 years before Christ. Yet we know that Alexander the Great was Macedonian and that he was from this part of the Balkans. The point I make is that they are the descendants of ancient Macedonians and they are not just descendants of later movements of Slavic people through the Balkans. Therefore not only is a racial descriptor of them insulting on racist grounds, it is not even an accurate racial description.

So, in these points I have made today, it is important that we as Australians of many heritages consider this issue and how we would feel if the same terminology and race description were used on us all. I know that I would not like it at all. I know that I would be insulted and outraged, and that is indeed their feeling on the matter. These are the points of view of well-regarded members of the Perth Macedonian community: Mr Zoran Coseski, the honorary consul; Mr Robert Miloseksi, President of the Macedonian Business Association; Mr Vic Radas, the former president of the community; and Mr Jim Bivoltsis, current president of the community. The time has come for Australia to show respect to the Macedonians in this country and to the Republic of Macedonia. I myself call upon the government to follow the lead of other countries in bilateral relations and refer to Macedonia as the Republic of Macedonia. I also call upon the government to take steps to remove all official references in the future to Slav Macedonians and simply call them Macedonians, as they wish to be called.

Albatrosses

Mr KELVIN THOMSON (Wills) (9.55 pm)—I wish to talk this evening about the plight of albatrosses. A lot of attention is given to the issues surrounding whaling, but much less to the plight of albatrosses. They are large, beautiful and graceful birds, aristocrats of the ocean with the capacity to make our spirits soar. Albatrosses and petrels are perhaps the most threatened group of birds in the world. Of the world’s 24 species of albatross, 23 are considered endangered or vulnerable according to the ‘red list’ criteria of the World Conservation Union. For some populations, such as the Macquarie Island Wandering Albatross and the Amsterdam Albatross, numbers are so low—less than 20 breeding pairs each year—that they remain threatened with imminent extinction. While individual nations have taken measures to protect albatrosses and petrels, these birds are susceptible to threats operating throughout their range. Conservation action by one nation alone cannot be effective in conserving highly migratory species. International action is required.

A primary threat to albatross and petrel species is incidental capture on longline fisheries, usually fishing for tuna and other billfish species. The birds get caught on the baited hooks of the longlines as they are set,
and drown as the lines sink to do their fishing. Hundreds of thousands of birds are killed each year in this way. Measures are available to prevent this, such as setting lines at night when the birds are not present and weighting lines so that they sink too fast for the seabirds to get hooked. Australia and other countries are implementing such measures. However, conservation of highly migratory species such as albatrosses and petrels cannot be achieved by one country acting independently of other nations which share the same species populations or who fish within their range.

There is a real problem with Japanese longline fleets targeting southern bluefin tuna on the high seas adjacent to Australian waters. They kill an estimated 13,500 seabirds in this way, of which 10,000 are expected to be albatrosses and petrels. I have been provided with a copy of the preliminary legal advice prepared for the Humane Society International by the Foundation for International Environmental Law and Development in London. The advice indicates that the Japanese government is failing to comply with obligations under the United Nations Convention on the Law of the Sea and the United Nations straddling stocks agreement in failing to cooperate with other countries to mitigate albatross and petrel bycatch in its high seas longline fisheries. It is at the Commission for the Conservation of Southern Bluefin Tuna that the situation is particularly bad. At this commission the Japanese government refuses to even discuss the adoption of mitigation measures for albatross and petrels, claiming that the convention only has jurisdiction over the target species, southern bluefin tuna. This has thwarted the Australian and New Zealand governments’ repeated attempts to have new mitigation measures agreed.

In contrast, the Commission for the Conservation of Antarctic Marine Living Resources has dramatically reduced levels of albatross and petrel bycatch in the toothfish longline fisheries it governs, proving that it can be done. This commission requires night setting and line weighting. These are measures that should be adopted by the pelagic longline fishers managed in relation to southern bluefin tuna as a matter of urgency. In the past, the Australian government has tended to confine its negotiations with the Japanese government on this issue to the southern bluefin tuna meetings, where it goes nowhere. I would like to urge the government to take this matter up with the Japanese government through other diplomatic channels and indeed to explore the potential for an international court case at the International Tribunal for the Law of the Sea. We should be trying to give the albatross issue the sort of attention that the whaling issue is receiving—and I note that several albatross species are in graver danger of extinction than the whales. I ask that the Attorney-General examine the legal advice prepared for the Humane Society International. It details Japan’s legal shortcomings, and I ask that he investigate both the issue of an international court case and diplomatic pressure on Japan to address the issue. We should not allow albatross species to die out on our watch. I call upon Japan to ratify the Convention on Migratory Species and other species-specific agreements, and to agree to be bound by their obligations to take action to encourage the recovery of endangered species and restore those with unfavourable conservation status to a stable, or more stable, status.

House adjourned at 10.01 pm
NOTICES

The following notices were given:

Mr Swan to present a bill for an act to provide for first home saver accounts, and for related purposes.
Mr McClelland to present a bill for an act to amend the law relating to evidence, and for other purposes.

Mr McClelland to present a bill for an act to amend the Judiciary Act 1903, and for related purposes.

Mr McClelland to present a bill for an act relating to the Solicitor-General, and for related purposes.

Mr McClelland to present a bill for an act to amend the law in relation superannuation, and for related purposes.

Mr Snowdon to present a bill for an act to establish a scheme to provide financial assistance to members of the Defence Force, and for certain other persons, for the purchase, maintenance and development of their homes, and for related purposes.

Mr Snowdon to present a bill for an act to deal with consequential matters in connection with the Defence Home Ownership Assistance Scheme Act 2008, and for related purposes.

Dr Kelly to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Australian Super Hornet Facilities Project, RAAF Base Amberley, Queensland.

Mr Hayes to move:
That the House:
(1) recognises and celebrates the significant contribution which Australia’s voluntary donors make to the Australian community as we approach World Blood Donor Day in June 2008;
(2) recognises that whilst one in three people will at some stage require blood, presently only one in thirty people actually donate blood;
(3) supports the efforts of the selfless individuals who give their blood to help save the lives and improve the health of people whom they may never meet;
(4) congratulates the Australian Red Cross Blood Service for drawing attention to the need for more Australians to donate blood and celebrating the many generous and voluntary, unpaid blood donors who give blood each week to help those in need;
(5) supports the efforts of the Minister for Health and Ageing and the Parliamentary Secretary to the Minister for Health and Ageing to increase the rate of blood donations in Australia; and
(6) encourages members to actively encourage blood donation in their electorates.

Mr Georganas to move:
That the House:
(1) acknowledges the important contributions of Australian, New Zealand, British and Greek soldiers and Greek civilians in the defence of Crete against the 20 May 1941 German invasion;
(2) calls for the annual commemoration of the Battle for Crete within Australia as an event of national significance; and
(3) encourages reflection on the shared experiences of Australian and Greek nationals through the Battle for Crete, the bond forged between our two nations in a time of war, and the evolution of Australian-Greek relations within the post-war period.

Mr Johnson to move:
That the House:
(1) recognises the strategic importance of India to 21st century global geopolitics; and
(2) encourages the Australian Government to reverse its short-sighted decision to cancel Australia’s uranium sales to India.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Australian Federal Police

Mr DEBUS (Macquarie—Minister for Home Affairs)—On 13 May 2008 answering a question without notice I stated upon advice that the Australian Bomb Data Centre
had provided information to agencies in the United Kingdom following the London bombings.

I have been subsequently informed that this statement was incorrect.

While the Australian Bomb Data Centre did undertake work following the London Bombings, it was for the use and interest of Australian agencies and was not provided to the United Kingdom.
The DEPUTY SPEAKER (Honourable. DGH Adams) took the chair at 4.00 pm.

STATEMENTS BY MEMBERS

Regional Partnerships

Ms MARINO (Forrest) (4.00 pm)—I rise to challenge the statement by the Minister for Infrastructure, Transport, Regional Development and Local Government, Anthony Albanese, that he did not realise how many community groups were affected by his government’s decision to cut funding to the Regional Partnerships program. In his words, the community projects are ‘really good’. In fact, they are far better than ‘really good’. They have been and still are critical to grassroots delivery of genuine local and regional projects. Volunteers within community groups have spent many hours compiling funding submissions and designing projects to be eligible to meet the criteria, and their applications have gone through the rigorous process of evaluation and assessment by the relevant area consultative committee boards and the Department of Infrastructure, Transport, Regional Development and Local Government.

On budget night the government announced that, unless duly signed contractual arrangements were in place, federal Labor would not fund any project submitted under the Regional Partnerships program. In fact, federal Labor intend to introduce their own Better Regions program, but that will not be delivering to communities until late 2009. Many of these projects are time critical.

Minister Albanese was tackled on Channel 7’s Sunrise program about one particular project in Bundaberg—a disabled children’s program—which was a victim of the funding cuts. He acknowledged that it was an outstanding project and said he had personally read the file and was going to look for alternative funding sources for it. So now we have the minister back-flipping on the government’s budget announcement and stating to David Koch on the Sunrise morning program on Wednesday, 20 May that some really good applications for community projects have been lodged and he would fast-track the examination of all applications. The minister should have examined all of the applications prior to making his decision to scrap the Regional Partnerships program.

Is the minister giving community organisations such as those in my electorate of Forrest hope that the government will do the right thing and make good on the funding approvals and that all projects will be examined—or was this just a throwaway answer to the media and there will be continued silence from now on? I do not want this to turn out to be false hope. If it is good enough for the minister to personally intervene in the Bundaberg disabled playground project, and to perhaps back down and fund the project, then it should be good enough for the minister to personally intervene in the five approved projects in my electorate, as well as the other 14 community project funding applications submitted in my electorate of Forrest up until November last year. They are outstanding community projects which have all attracted other funding partners, including state Labor, and all are worthy of matching federal funding. The Forrest electorate has been severely affected by the scrapping of the Regional Partnerships program by the Rudd Labor government, and all the funding submissions have gone through a rigorous process of evaluation. (Time expired)
Ms BURKE (Chisholm) (4.03 pm)—by leave—I present a petition from members of the Scoresby Uniting Church and other Uniting Church congregations in my electorate. They have collected 2,194 signatures on a petition calling for the banning of cluster bombs. The petition reads:

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain Australians draws to the attention of the House:
That unexploded cluster submunitions disproportionately kill and maim civilians, including a high percentage of children, delay relief efforts in post-conflict countries as well as disrupting long-term development, and continue to kill and maim long after they are deployed and the conflict has ended. We note that Australia does not possess cluster munitions and does not use them.
Your petitioners therefore ask the House to:
legislate a ban on the production, transfer, stockpiling and use of cluster munition that cause unacceptable harm to civilians.
Pass a motion supporting the Oslo Declaration committing Australians to working towards an international treaty that would ban the production, transfer, stockpiling and use of cluster munitions that cause unacceptable harm to civilians globally.

Members of the Scoresby Uniting Church and others came to my office personally to deliver the petition. Over 20 people were crammed into my very small office in Box Hill. They are very passionate about this issue and they are very concerned about Australia’s involvement in the current negotiations in Dublin. They expressed two concerns about the position that Australia is taking and forcefully presented their argument. Their first concern is about the degree to which Australia will seek to weaken the treaty to allow troops of state parties to directly and indirectly assist with the use, transfer and stockpiling of banned cluster munitions by non-state parties to the treaty. Their second concern is about the Australian government seeking a clause in the treaty to allow state parties to retain an unlimited number of cluster munitions for the purposes of training and research—expressed as ‘the minimum necessary for such purposes’. Numerous people have sent me letters of concern about the current negotiations.

I am pleased that the Australian government is heavily involved in the current process in Dublin. The government believes that the time has come for the international community to address the impact of cluster munitions. Australia is pleased to join 120 states at the Dublin conference to negotiate and agree on the text of a legally binding convention to prohibit cluster munitions, which cause unacceptable harm to civilians. These weapons are vile and the harm they cause is unacceptable. We should be doing everything in our power to ban them, to protect human lives and to ensure there are no unintended casualties. It is not just about those who are caught up in the conflict at the time; it is about the ones who are left behind. Australia has committed additional funds to demining, particularly within Afghanistan and also in our own region. I warmly congratulate those who collected signatures for the petition.

Ryan Electorate: Australian Defence Medal

Mr JOHNSON (Ryan) (4.06 pm)—I would like to formally acknowledge and recognise in the parliament today a group of very special individuals. I place on the record my formal thanks for the service to our country of Mr Percival Hanlon, from Toowong; Mr Victor Hood, from the Gap; Mr Robert Mahoney, from Kenmore; Mr Kevin Prior, also from Toowong; Mr Arnold Russell, from Bellbowrie; Mr Mervyn Smolenski, from Kenmore; Mr Ross Thomson,
from Chapel Hill; and Mr Graham Tregenza, from Taringa. These very special constituents of mine were recipients of the Australian Defence Medal, which I had the great honour to present to them in a community ceremony in the Ryan electorate on 23 April. The Ryan electorate, which is based around the western suburbs of Brisbane, was very privileged to honour these men because, as we all know, those who wear the uniform of the Australian defence forces do so with great pride, with great courage and with great spirit. It is incumbent on all of us to honour their service.

The Australian Defence Medal was established in June 2004 under the Howard government. It is awarded to regular and reserve Defence Force members who have completed either their initial enlistment period or four years of service, whichever is the lesser, since the Second World War. The Australian Defence Medal recognises the service of members, past and present, of the Australian Defence Force who have made a remarkable commitment to our nation’s security, whether by serving our nation in actual operations or remaining in Australia in a supportive role.

The eight individuals whom I have mentioned today were honoured at the ceremony that I conducted in April. I was pleased to be able to celebrate with them, their friends and their families. It was a moving ceremony held in the Mount Coot-tha botanical gardens in the Ryan electorate. There were a considerable number of guests. Friends of the recipients also travelled from interstate to be part of this special occasion and to witness them receiving this medal from me as a representative of the Australian parliament.

As a member of the parliament I want to also thank all those in the Ryan community who took part in the Anzac Day service. The community spirit is remarkable throughout Australia and it is especially so in the Ryan electorate. It is incumbent upon all of us to pay tribute to those who make a contribution to our country in a very unique way— one which all of us will not only honour but remember for a very long time to come.

**Tasmanian Premier**

**Mr ADAMS** (Lyons) (4.09 pm)—I was going to speak about something else, but the events that took place in Tasmania yesterday have overtaken that in importance. Yesterday, the Premier of Tasmania, Paul Lennon, stepped down from leadership and from parliament. He did it now because he believes he has fulfilled his promise to his predecessor, Jim Bacon, who died in June 2004. Jim and Paul were long-time friends and colleagues and it was not an easy task for Paul to fill the charismatic Jim Bacon’s shoes, but he did it. Although his way was different, he was no less effective for the economy and the wellbeing of Tasmania. Paul has had four long, hard years as Premier. I believe the low polls gave him the reason to make a snap decision in order for Labor to continue to build on his and Jim’s legacies and for Tasmania to continue to have a majority government. It will give his successor a good 22 months to stamp his authority and his policies on government.

I would like to pay tribute to Paul for what he has achieved during those four years and thank him for continuing to support the forest industry despite the cost to his popularity. I believe he understood what working people are all about, especially those who work in country areas in traditional pursuits, because these are the industries that have built Tasmania’s economy and provided our livelihood. It is not easy to stand one’s ground in the face of opposition, and he has been doing it for 30 years, representing people in all the areas of work he has
been in. Being Premier was just another platform in which he has proved his worth as a politician and as a human being.

I would also like to thank Paul for his strong and dedicated work for the state. He did not always make popular decisions but he made them for the betterment of the state and not for himself—despite the ridicule and vitriol that have come his way in recent years, which I do not believe are warranted. Although the criticism may have led to his decision to step down, it was not because he heeded it for himself; he noted it for the position he held. I am sure he believed that now was the time to go and that the time had come to hand the banner on for the sake of the party and the government.

Paul has always been generous with his time and his support for those things he believed were right, and he will be remembered with affection by those whom he supported and assisted to make the state a better place to live and work. Personally, I thank Paul for his support and assistance over my time in federal parliament, and I hope his successors will come to really understand what he has done for the state. Thank you, Paul.

Mr Bill Singleton

Mr Ted Brooker OAM

Mr MORRISON (Cook) (4.12 pm)—In April this year, Bill Singleton was recognised by his peers by being awarded life membership of Surf Life Saving Australia at the 2008 national surf lifesaving titles held in Western Australia. Life membership of Surf Life Saving Australia is the highest non-bravery accolade available within the organisation. The award recognises Bill’s exceptional contribution of 66 years to surf lifesaving as a successful competitor, official and administrator. He is currently the patron of Surf Life Saving Sydney and until recently was actively involved as a carnival official. He is a well-known, much loved and respected friend to all involved in surf lifesaving throughout Australia and especially in the Sutherland shire.

Bill entered lifesaving when he joined Bronte Surf Life Saving Club in 1941. He became a life member in 1957 after long success in both competition and administration. The Bronte club described Bill’s contributions to lifesaving as legendary and said that he epitomises all that is good about surf lifesaving and that many people can attribute their successes in the movement to either words of encouragement from Bill or his efforts in saving lives.

His move to the Sutherland shire, in the electorate of Cook, saw him join Elouera Surf Life Saving Club in 1969, where he has held the positions of vice-patron, vice-president, senior vice-president and deputy president, served on various committees, held numerous training roles and been actively involved in patrols and rescues. Bill also joined Garie Surf Life Saving Club, in the electorate of Cook, in 1998, where he has held various administrative roles, including club historian. Bill was president of Surf Life Saving Sydney from 1991 to 1995 and vice-president for the 10 years from 1981 to 1991. He was heavily involved on seven different committees as well as being a gear steward and IRB supervisor.

Bill has also been heavily involved in Surf Life Saving New South Wales, where he is also a life member. Elouera Surf Life Saving Club described Bill’s commitment to surf lifesaving as ‘total dedication’ and ‘magnificent lifetime service which is both conspicuous and loyal’. On behalf of all my constituents in Cook and in the shire, I wish to congratulate Bill on his many achievements and decades of selfless service. Unfortunately, Bill was recently diag-
nosed with inoperable cancer. My thoughts and prayers are with Bill and his family at this time.

I also wish to acknowledge another Elouera Surf Life Saving Club member, Ted Brooker OAM, who was also recently recognised for his contribution to surf lifesaving with the award of a President’s Medal. Although this is a national award, it was presented to Ted at the recent New South Wales state titles at Blacksmiths Beach in Swansea-Belmont. Ted also has a long-term association with surf lifesaving at North Cronulla.

*Division having been called in the House of Representatives—*

**Sitting suspended from 4.16 pm to 4.30 pm**

**Comitato Assistenza Italiani**

Mr ZAPPIA (Makin) (4.30 pm)—Last Saturday night, 24 May, I along with my wife, Vicki, attended on behalf of the Prime Minister the 40th anniversary celebrations of the Italian-Australian welfare organisation known as Co.As.It. The gala ball, which recognised the Co.As.It volunteers in New South Wales, was held at the Sydney Convention Centre. The occasion was also used to raise funds for the Italian Bilingual School. As part of the event, a publication was produced which documented the resettlement journey of Italians since the arrival of the first Italians to New South Wales. The pictures and the stories told could be the same for the history of migration by Italians to all parts of Australia, including my own home state of South Australia. In fact, they would be very similar to the stories of the many other migrants who came to Australia from all parts of the world.

Today some 800,000 Australians are of Italian heritage, and I understand that around 200,000 of them were actually born in Italy. As we approach the national day of Italy on 2 June, when many Australian Italians will celebrate their Italian heritage, it is pertinent we also recognise the significant contribution Australian Italians have made to Australia’s development and to our way of life. Whether it be in food, music, the arts, architecture, building and construction, engineering, the sciences, agriculture, medicine, law or politics—or any other profession, for that matter—Italian migrants have made a notable contribution to our country and to our culture.

Of course, many of the first-generation arrivals here have passed away or are now elderly. Where in earlier days they had the strength and resilience to forge a new life for themselves and their future generations in a new land, today they are in need of the aged-care services that all older Australians are in need of. Co.As.It is responding to their needs by providing a range of services to older Australians, regardless of their ancestry, in many parts of Australia. In fact, only last Tuesday I attended another Co.As.It function in Adelaide where local volunteers were also recognised.

The Italian Bilingual School has a special role in the provision of those services, because language can often be a major barrier in both the provision of services and maintaining family relationships between older and younger generations. Interestingly, last Thursday the member for Hindmarsh, Mr Steve Georganas, and I met with a delegation from Co.As.It to discuss the needs of older Australians and how services for older Australians of non-English-speaking backgrounds might be improved. An issue raised was that one of the key impediments to the provision of services is language.
I take this opportunity to thank Co.As.It for their initiatives in responding to the needs of older Australians who today need our support. I also congratulate Lorenzo Fazzini and the New South Wales Co.As.It branch for their bilingual school program and for their 40 years of service to the wider Australian community.

**Drought**

Mr **JOHN COBB** (Calare) (4.33 pm)—In November 2002, the Rural Lands Protection Boards of Bourke and Brewarrina became the first areas of south-eastern Australia to be declared to be in exceptional circumstances in the current drought. That was some 5½ years ago. In less than a fortnight Bourke and Brewarrina’s exceptional circumstances standing time frame expires. The new government and the Minister for Agriculture, Fisheries and Forestry, Tony Burke, have to act very quickly to allay the fears of the people of that region and the mental stress that they are currently going through. The major part of New South Wales does not come up until September. It is a very big issue for not just the landholders but the townspeople, the merchants and those in employment in that region. There are some 500 landholdings under the Rural Lands Protection Boards of Bourke and Brewarrina. The National Rural Advisory Council, or NRAC, who advise the government and the minister on the need for exceptional circumstances assistance, have not at this point in time visited Bourke and Brewarrina. With less than two weeks to go, I find that either exhilarating, because it means the minister does not think there is a need and he is just going to roll it over, or very disturbing, because he has no intention of doing so. It is very much time that the minister stopped looking at politics and started looking at policy, because for Bourke and Brewarrina to lose exceptional circumstances assistance at this time, notwithstanding the fact that there is talk about some sort of transitional phase, would be devastating to that region.

Yes, there has been some rain in that region but we do not stop areas receiving exceptional circumstances assistance simply because there has been some rain. It goes a lot longer than that and a lot deeper into the community. As I said, people’s mental stress—and I am not talking just about the farmers and the landholders—in that region is huge. Nobody has yet made any money. The financial drought is still 100 per cent in that region, as it is in pretty much the whole of my electorate. I have no pleasure in having the most drought affected electorate in Australia. It is time for an announcement, especially as people cannot stand not knowing what is happening. The government must make an announcement. Minister Burke has to stand up and say what he is going to do to relieve the pressure on the landholders and everybody else involved: the merchants, the workers and the banks, who also have a lot riding on this.

**Motorcycling Australia’s Rider Safety Campaign**

Mr **HAYES** (Werriwa) (4.36 pm)—Last month I had the distinct pleasure of joining forces with MotoGP star Chris Vermeulen and Motorcycling Australia at the launch of Motorcycling Australia’s Rider Safety Campaign, to help turn the tide when it comes to motorcycling accidents on our roads. This is an important campaign that has the potential to prevent the deaths of and injuries to motorcycle and scooter riders. Being a keen motorcyclist myself and having two sons that ride, this campaign takes on personal relevance.

Motorcycle and scooter sales have increased rapidly in recent years. Sales figures show that about 130,000 motorcyles were sold last year, an increase of some 10,000, or around nine per cent, compared with the year before. Unfortunately, the numbers of deaths and injuries are also rising and with those the compounding tragedy that strikes the families and friends of
victims. Since 2002, the number of deaths has increased by 3.6 per cent per year. Motorcyclists account for almost 15 per cent of all road deaths despite the fact that their vehicles make up only 4.5 per cent of all registered vehicles in Australia. During last year alone 1,611 Australians died on our roads. Of those 240 were motorcyclists. Motorcyclists are 23 times more likely to be killed per kilometre travelled than car occupants and they are 41 times more likely to be involved in serious accidents.

These statistics tell only a small part of the story. Quite frankly, every fatality causes untold grief for the family members and friends of the loved one lost. It is no secret that motorcyclists are much more vulnerable than other motorists. The casualty statistics are certainly gloomy, but those of us who are riders also know that riding motorcycles is a wonderful way of life. For me riding is being part of the scenery rather than just viewing it. For many Australians it is becoming a lifestyle choice, but we must take a proactive role and remind everybody that, while the roads are there to be shared, they are dangerous and that when you ride you should ride defensively and never ride beyond the road conditions or your skills.

Frustrated by the mounting road toll, Chris Vermeulen actually approached Motorcycling Australia about doing something practical and having a campaign on TV and radio and in the press about motorcycle safety. I would like to congratulate Chris on his passion to initiate this campaign. I would also like to congratulate Ron Kivovich, the President of Motorcycling Australia, for Motorcycling Australia’s commitment to doing something positive to reduce the number of deaths of and injuries to motorcyclists on our roads. I wish Mr Vermeulen and his team all the best for the remaining MotoGP season and Mr Kivovich and Motorcycling Australia all the best for the campaign. Once again I congratulate them on their stand to be proactive as to the safety and welfare of motorcyclists on our roads.

Indi Electorate: Wodonga Rail Bypass

Mrs Mirabella (Indi) (4.40 pm)—I rise to speak on a matter of great importance to the people of Wodonga, in my electorate: the Wodonga Rail Bypass. It is one project that has been spoken about for too long with no action. The Victorian government, which has carriage of the project, has treated the people of Wodonga with contempt and disdain in its clumsy and late handling of this vital piece of transport infrastructure. It is an overdue and exciting project and is most notably in the all-important freight corridor between Melbourne and Sydney.

The former coalition government had a proud record of investment in road and rail infrastructure and ensured that rail continued to play its important role in the burgeoning freight task in Australia, and this focus must continue. As far back as December 2000, the Howard government committed $20 million for the Wodonga Rail Bypass, even though the Victorian government has complete carriage of this project. This money was not used, and the 2004 AusLink white paper continued to recommit funding for this project. The Victorian government has not proceeded with the bypass in isolation from the rail standardisation of the broad gauge track.

Following an initial request made to then Minister Truss in 2005, the Victorian government submitted a detailed project proposal on the Wodonga Rail Bypass to then Minister Vaile in October 2006. The proposal was confirmed, and the request from the Victorian government to the Australian government for an extra $25 million was to be taken from the allocation for rail standardisation. That money was to be transferred from the rail standardisation to the Wodonga project. In spite of delays which have blown out the cost of the project, earlier last
year I was pleased to welcome the then Deputy Prime Minister and Minister for Transport and Regional Services, Mark Vaile, to Wodonga to announce funding of $45 million, capped for the whole project. We are now asking the Victorian government to get on with the job.

The Leader of the Opposition visited Wodonga as part of his listening tour earlier this year and saw for himself how the current track cuts through the heart of the city and strangulates the growth of the city’s potential. In 2007, John Brumby said the project would be delayed by a couple of months from its proposed March 2007 start to the finalisation of the purchase of the Victorian rail system by the state from Pacific National. The Minister for Public Transport, Ms Kosky, said that the project will start by April 2007. Still, not one single sleeper has been removed. There is only so much wool you can pull over people’s eyes.

I hear that the minister for infrastructure may soon be visiting Wodonga. It will be good for the new Labor minister to get out of Sydney and come to rural and regional Australia, to my area on the border to see what life is like in Wodonga. I would appreciate welcoming him, to highlight how important this project is to Wodonga’s future and how the city is being held back by the Victorian Labor government’s intransigence and incompetence. It is time for the buck-passing and mismanagement to end. It is time for the Spring Street spin to end. Speaking on behalf of the people of Wodonga, I say that we just want the project to get underway.

**Bennelong Electorate: Giant Steps School for Autistic Children**

Ms McKEW (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (4.43 pm)—I rise today to commend the imaginative initiative and the extraordinary commitment of the parents and staff at Giant Steps in Gladesville, a school for children with autism, which is located in my electorate in Bennelong. Two weeks ago I visited Giant Steps and met Sean, a little boy who is aged 11. He has been at Giant Steps since he was five years of age. Sean was in a classroom with seven other students and with not one but three teachers. This little boy is likely to move to an integrated support unit within a regular high school when he is 12. Students who are not able to make that transition remain at Giant Steps and they continue to study a modified New South Wales high school curriculum.

Kerrie Nelson, the principal of Giant Steps, walked me through the classrooms explaining the school’s interdisciplinary approach to teaching, an approach which involves a special education teacher, an occupational therapist, a music therapist and sometimes a teacher’s aide—and they are all working together in the classroom at the same time. The regular curriculum is adjusted to provide a very rich and authentic learning experience with autism-friendly teaching strategies. It is this interdisciplinary approach that is so effective when working with children who are as challenged as autistic children are.

There are 60 children at Giant Steps. They range in age from preschoolers to 17-year-olds. They come from all over the metropolitan area, some travelling very long distances—sometimes two hours—to get there and they are taught by 52 dedicated staff. Just think of that ratio: 60 children to 52 staff.

Giant Steps was established in July 1995 by a group of parents who researched the world’s best practice for teaching children with autism, and they continue to strive to create as normal a school life as possible. Understandably, it costs a lot more to provide this kind of quality education for children such as Sean than it does at a normal school. From an annual budget of nearly $4 million, $1.9 million comes from state and federal funding, $750,000 comes from...
corporate and other donations, a staggering $450,000 is donated by the parents of the children who attend the school and a further $800,000 comes from fundraising activities. It is an extraordinary effort.

The current challenge facing the parent body from Giant Steps is to provide a post-school life for these children. Barry Irvin, the chairman of the Giant Steps board, explained to me and my colleague the honourable member for Maribyrnong that the plan is to design a tertiary educational experience approximating that for any 18-year-old so that all students in Australia have the right to participate in a stimulating, quality educational experience in an appropriate environment.

At a time when the government is committing $190 million to a range of services that will help families with autism—that is, in addition to six specialist autism centres—I commend Giant Steps. I find it encouraging to see the exceptional effort and imagination of the parents and the teachers who are making Giant Steps the centre of excellence that it is.

The DEPUTY SPEAKER (Ms AE Burke)—Order! In accordance with the resolution agreed to in the House previously, the time for members’ statements has concluded.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed from 26 May, on motion by Mr Hale:

That the address be agreed to.

Mr HAYES (Werriwa) (4.46 pm)—I move:

That further proceedings be conducted in the House.

Question agreed to.

EXPORT MARKET DEVELOPMENT GRANTS AMENDMENT BILL 2008

Second Reading

Debate resumed from 20 March, on motion by Mr Crean:

That this bill be now read a second time.

Ms SAFFIN (Page) (4.47 pm)—Australia’s trade performance has taken a battering, particularly over the last six years—it was the last six years of the coalition government. The Minister for Trade has said that the coalition government dropped the ball on trade, and they clearly did. They dropped the ball on a few other things too, not just trade, but all go to the heart of our economic policy in trade. They ignored the 20 warnings from the Reserve Bank on inflation. They seemed to ignore the 12 consecutive interest rate rises, and they ignored the fact that we needed an integrated trade policy with our economic policy. The impact of this lack of attention to fundamental trade and economic questions in a time of a prolific resources boom—a boom that made the coalition government fiscally lazy—has left Australia with an economic trade deficit and a deficit in trade policy.

I turn to the economic deficit first. The coalition government left us with a trade deficit for five consecutive years—nearly six years. The December 2007 trade deficit figure of $6.9 billion was the worst quarterly trade deficit on record. There were 69 consecutive months of goods and services trade deficit, there is a current account deficit at record levels of around six per cent GDP, there was soaring foreign debt in 2006-07 and net exports have made a con-
tribution to Australia’s economic growth in only two of the past 11 years. When Labor were previously in government we made a positive contribution in exports, with growth in 10 of 13 years. The comparison is: coalition government, two out of 11; previous Labor government, 10 out of 13. They certainly did drop the ball. I think the figures speak for themselves.

But there is more. Manufacturing export growth collapsed, growing at three per cent in 2007 compared to 13 per cent since 1983. That is 13 per cent growth in 1983 and three per cent in 2007. Total export revenues grew at an annual average rate of only 5.8 per cent compared with 10.7 per cent in the 18 years following the float of the dollar in 1983, another Labor initiative. Goods exports grew at an average annual rate of 6.4 per cent compared with an average growth of 10.3 per cent since 1983. Services exports grew at about a third of their long-term average. I am surprised that no-one from the opposite side, particularly the National Party, raised these appalling and concerning trade performance figures either publicly or within their cabinet or caucus.

It is only now that they are in opposition that they have started to bleat about trade. I have listened with interest to the Leader of the National Party talking on the radio about trade. He said it was time the government—we have been in government for six months—put more resources into the Export Market Development Grants Scheme. They actually starved that scheme. When they were in government they changed the criteria yet they did not provide funds for the criteria to be fulfilled, so a lot of exporters were found wanting. It is a bit rich that they did it.

Minister Crean, the Minister for Trade, has said that they duded us, and they did. It shows that the National Party are unable to have an impact either in government or out of government. Even the previous Leader of the Nationals, John Anderson, has publicly said that they were never listened to in Canberra. That is clearly the situation.

I will turn now to the approach that Labor is taking to trade. Labor has taken a fresh approach that is premised on the following: making Doha a key plank of advancing the trade agenda. Advancing the agenda and getting the outcomes is not easy. It is a difficult process, but it has to be at the heart of any trade initiative and any trade policy—along with the integration of the economic policy—to make sure that we get somewhere. The Rudd Labor approach is based on the twin pillars framework. The twin pillars framework approach is trade liberalisation at the border complemented by economic and trade reform behind the border. This is to advance sustainable economic growth, the driving force of trade policy.

On bilateral and regional agreements, we will continue to work to improve and enhance those that are consistent with our multinational and multilateral objectives. Whilst bilateral and regional agreements are important—and they are very important; I cannot but underscore that—they must be pursued consistent with multilateral or multinational outcomes. The ball was dropped in this area as well under the previous government. I pause here to say that trade policy has always been under the auspices, within the bailiwick, of the National Party. It is one area where they have been found very wanting.

Our major initiative in trade is a comprehensive review of trade policies and programs, called the Mortimer review, which will assess how we can improve our productivity and competitiveness to ensure we are ready—and, indeed, ahead of the game—to take up emerging trade opportunities. I recently had the opportunity, along with the parliamentary trade subcommittee, to meet with John Edwards and David Mortimer, who are heading up that review.
I and everybody else felt quite confident about having them at the helm of that review and helping us with it.

I now want to turn to Page, the seat that I represent, where trade is clearly an important issue. Often we do not think about the Export Market Development Grants Scheme in regional and rural seats, but it is immensely important. I will give you some indicative figures that show why it is important and why this scheme will help in Page. There are caveats on these figures. I got some of these figures through research and through the Parliamentary Library, but they have the usual caveats on them. The main exporting industries—manufacturing, agriculture, forestry, fisheries, wholesale trade and mining—account for 19.7 per cent of employment in Page. That is nearly 20 per cent, which is significant for employment in the area. Other industries export—and, of these dominant export industries, not all employees would work on exports—but this gives you the order of magnitude. In terms of the total employment, two of the main exporting categories are in the top 10 employing industries in Page.

The research states that an extrapolation would be that the total employment in Page in 2006 was around 50,279. With total employment in Australia at 10.2 million, that is about 0.5 per cent of the total. Looking at exports from Australia over the last 12 months, that amounts to about $1.09 billion in the Page electorate, which is significant. The Export Market Development Grants Scheme allows a lot more small- to medium-enterprise businesses, which are the backbone across Page, to take advantage of it. There are many businesses I know that want to get into the export market. In fact, quite a few are already in the export market, as those figures indicate.

A couple of weeks ago I opened an innovation conference in Ballina, in the electorate of Page, and three of the speakers were local businesspeople who were all exporting. Members may have heard of Byron Bay Cookie Company and Byron Bay muesli. The company is run by a local woman who is based in the Richmond electorate, which is close to my electorate. She was at the conference in Ballina and she exports to the United States. It took them a while to get used to the macadamias. They had to do some work to get people used to the macadamias in the muesli and the cookies and things like that, but that is a really big exporter in our region—a success story. There are many more like that.

The Export Market Development Grants Amendment Bill 2008 has about eight key purposes. I will recap them here. They are to increase the maximum grant by $50,000, up from $150,000 to $200,000—

A division having been called in the House of Representatives—

Sitting suspended from 4.58 pm to 5.33 pm

Mr DREYFUS (Isaacs) (5.33 pm)—I rise to speak in support of the Export Market Development Grants Amendment Bill 2008. This bill forms an important part of the Rudd government’s commitment to a whole-of-government approach to supporting Australian companies in the global economy. This commitment stems from deeper values held by the Australian Labor Party and from its view of Australia and what our nation can be. The Labor Party believes in a prosperous, fair Australia supported by an open, outward-looking economy—an economy where Australian companies that want to invest overseas and export their goods and services are not held back but are instead encouraged and supported.
It must never be forgotten that it was the Hawke and Keating governments that transformed the Australian economy. It was the Hawke and Keating governments which laid the foundation for the outward-looking, export oriented economy which this nation has developed. The Labor Party has a proud record on economic reform—the floating of the dollar, trade liberalisation, financial sector deregulation, superannuation reform and national competition policy. It is this record on which we continue to build today. This government understands that Australia’s current and future prosperity depend in part on our ability to compete successfully in global markets. That is why we are committed to a world-class education system, to addressing infrastructure bottlenecks, to fostering innovation and to reforming federal-state relations.

The new National Asian Languages and Studies in Australian Schools program, with funding of $62.4 million over the next three years, forms part of this approach. It is a whole-of-government approach designed to lock in our future prosperity—a prosperity that will depend on strong and sustained export growth that will continue past the current resources boom. This export growth will be driven by smart and innovative Australian companies delivering superior products to overseas markets.

The old-style interventionist policy that was pursued by both sides of politics under the Australian settlement no longer has a place in the modern economy. The industry policies of the 1950s and 1960s were inward looking. They were designed to shelter Australian companies and industries, including poorly managed ones, from the forces of international competition. The result was that Australian economic growth and our living standards fell behind other industrialised nations. The focus of federal government policy must be on enabling and encouraging Australian businesses rather than on sheltering and protecting particular industries. The evolution of the international trading system into a globalised economy provides enormous opportunities for Australian companies and the Australian economy as a whole. Australia requires an active export facilitation strategy that addresses the needs of Australian firms, and the Export Market Development Grants Scheme is an example of this type of policy at work.

The purpose of the act is to encourage small- and medium-sized enterprises to develop export markets through providing grants for export promotion. Under the act, companies can be reimbursed up to 50 per cent of a range of export promotion expenses up to a given cap. Some of the activities for which companies can claim include overseas representatives, marketing consultants, marketing visits, trade fairs, seminars, promotional literature and advertising. The Australian Chamber of Commerce and Industry—and I quote from one of their publications—has recognised these kinds of activities as:

... an integral part of the export promotion strategy of many Australian exporters, especially small to medium sized exporters.

For a small- or medium-sized business, the move into exporting is one of the most difficult decisions that they will take. Expansion into any new market brings with it new challenges. When a new market is located overseas, these challenges are compounded through a lack of capital, regulatory differences, cultural barriers and the need to develop new contacts amongst suppliers and purchasers.

The Export Market Development Grants Scheme has often been critical in determining whether a small- or medium-sized enterprise engages in exporting and the extent of that engagement. The 2005 Austrade review of the scheme found that it ‘plays a key policy role in
funding additional export promotion, particularly for smaller sized firms’. It also found that the scheme ‘has considerable influence in assisting small firms achieve sustainability’ in exports and that it has ‘a positive impact on export culture’.

The scheme was estimated in 2000 to result in returns of $12 of exports for every $1 of outlay. Despite these benefits, the scheme was neglected by the Liberal and National parties when they were in government. This government is determined to revitalise the scheme. We announced this during the campaign last year and we are now acting on that commitment. The government, under existing legislation, is required to commence a review of the Export Market Development Grants Scheme before 2010. I commend the minister for bringing forward this review and including it in the review of export policies and programs which is to be chaired by John Mortimer.

Through this bill, which overhauls the Export Market Development Grants Scheme, and through the additional $50 million in funding in 2009-10 for the scheme, this government is taking immediate action to help reinvigorate an export culture amongst Australian companies. This bill amends the Export Markets Development Grants Act to expand eligibility for the scheme. It will bring it into line with the needs of Australian businesses. It will bring it into line with what Australian businesses have been calling for and what the previous Liberal and National Party government ignored.

The bill will increase the maximum grant by $50,000 to $200,000, lift the maximum turnover limit from $30 million to $50 million and extend the limit on the number of grants from seven to eight annual grants. These changes, which were advocated by the Australian Industry Group in its submission to the 2005 Austrade review, will ensure that companies can continue to access the scheme. The bill will also allow grant money to cover expenses related to patent protection in international markets. The ability to protect intellectual property rights is an increasingly crucial part of product and market development. This change will encourage innovative Australian companies that are seeking to expand markets overseas.

At present, the Export Market Development Grants Scheme allows only companies and national peak bodies to apply for grants. These amendments enable state and regional trade promotion bodies, including tourism promotion bodies, to access the Export Market Development Grants Scheme. The amendments cut the minimum threshold of expenditure by $5,000 to a $10,000 minimum, again ensuring that small businesses can access the Export Market Development Grants Scheme. It will reinstate a performance test to the act for applicants claiming in their third and later grant years, consistent with Australia’s obligations under World Trade Organisation rules.

Finally, these amendments replace the list of internal and external services with a new non-tourism services category. Critically, this change will help to ensure that companies in the services sector can properly access the Export Market Development Grants Scheme. On top of these changes, the government has delivered on its commitment to increase funding for the scheme by $50 million.

The Rudd government’s commitment to supporting exporters provides a contrast to the failure of the former government. The story of the last decade is indeed a story of a decline in Australia’s trade performance and a neglect of policy on the part of the Howard government. Australia has had ideal conditions for trade success—the most favourable terms of trade in a generation, a strong global economy and a resources boom. A 2005 research paper from the
Reserve Bank found that Australia’s terms of trade were likely to have increased by around 50 per cent in the period 1987 to 2005. The Reserve Bank’s index of commodity prices has increased by 43 per cent over the last six years. The booming economies of India and China have become vital trade partners for Australia. But, despite all these favourable factors, export growth rates have fallen. Australia has seen its proportion of global trade in goods and services decline such that between 2001 and 2007 growth in total export revenues slowed to almost half the rate of the period from 1983 to 2001. Goods export growth has slowed. Services exports are now growing at only a third of their long-term average. Manufacturing export growth collapsed to an annual rate of 1.2 per cent between 2001 and 2007, compared to an annual rate of 12.3 per cent between 1983 and 2001.

The former government announced in 2001 that they would aim to double the number of exporting businesses—and they failed dramatically to achieve the target they set for themselves. The former government left Australia with a trade deficit of $6.9 billion in the December 2007 quarter, the worst quarterly trade deficit on record, and a current account deficit of around six per cent of GDP. The resources boom has been masking the failure of Australia’s trade policy over the last decade, and the previous government must take responsibility for their failure on trade policy.

The former government’s neglect of the Export Market Development Grants Scheme was emblematic of their failure on a broader level in the area of trade policy. In 2003, the Australian Chamber of Commerce and Industry declared:

The Federal Government’s decision to run-down the Export Market Development Grants Scheme will only serve to undermine the effectiveness of Australian exporters, especially smaller exporters, in vital overseas markets.

You would think that that warning in 2003 from the Australian Chamber of Commerce and Industry might have been sufficient to prompt some real action in this area and a revision of what the Australian Chamber of Commerce and Industry described as the running down of the Export Market Development Grants Scheme. But nothing of the kind occurred; the running down continued.

We might also recall that on coming to power in 1996 the former Howard government abolished the International Trade Enhancement Scheme and the Innovative Agricultural Marketing Program, programs that had been established by then and had contributed to the improvement in Australia’s trade position that occurred during the Hawke and Keating governments. These two programs, abolished by the Howard government on coming to power in 1996, were part of the attention that had been given to the trade area by the Hawke and Keating governments.

The Howard government seemingly focused on bilateral trade negotiations exclusively to the detriment of multilateral opportunities through the Doha Round and APEC. Like so many areas of the previous government’s record, the approach was incoherent. It was poorly thought out and lacked any sort of strategic vision. By contrast, the Rudd Labor government is committed to an open economy in which Australian companies can take full advantage of the opportunities provided by global demand. Our support for the Export Market Development Grants Scheme accompanies our commitment to further multilateral trade negotiations. The review of export programs and policies currently being undertaken will provide further opportunity to refine and improve trade policy so that the Commonwealth government is do-
ing all that it can to support Australian business in the global marketplace. I commend the bill to the House.

Mr TURNOUR (Leichhardt) (5.48 pm)—The amendments to the Export Market Development Grants legislation represent a significant turning point for Australia’s trade capacity. In particular, the Australian tourism sector is set to benefit from the changes being introduced by the Rudd government. These changes will have far-reaching impacts in the national tourism industry, and they come at a time when this industry requires renewed focus and investment. The Export Market Development Grants Amendment Bill 2008 demonstrates that the government is serious about strengthening Australia’s trade capacity as a nation and that it is committed to delivering upon the promises made in the lead-up to the election. We are delivering on all of our promises, and the EMDG amendment bill is just another example of that.

The Rudd government went to the election with a commitment to reform and revitalise export policies and programs, and this is exactly what we are now doing with the Export Market Development Grants Scheme. Already, federal Labor has committed additional funding for the scheme. A further $50 million will go to our aspiring and current exporters, bringing the total funding available for grants on eligible business expenditure in 2008-09 to more than $200 million.

Programs like the EMDG Scheme need continual attention and investment. The previous government failed to act appropriately with regard to the scheme; they dropped it as a priority and did not provide adequate funding. Australia’s exporters have every right to condemn the previous government for this. I know that many businesses in the tropical north, tourism operators in particular, are hurting as a result of the Howard government changing the policy settings for the EMDG Scheme without backing it up with money. Their budgets now, and for the next 12 months or so, have to be reworked, their marketing and other expenditure slashed and investment opportunities foregone. This is the Howard legacy. A number of these businesses have come to see me—hoteliers and reef operators who had put their faith in the EMDG Scheme, made significant investments and found that the Howard government had failed to appropriately fund this scheme.

We are reforming and revitalising the scheme. The Rudd government will work to restore the EMDG Scheme. There is renewed confidence over the future of the tourism industry as a result of the legislative changes being introduced into the parliament. My electorate of Leichhardt, in tropical North Queensland, is home to a number of tourism centres—from Cairns, Kuranda and Port Douglas, to the Daintree and Cooktown, to the burgeoning Cape York and Torres Strait regions, which are strengthening tourism hubs in their own right. We have some fantastic tourism experiences and destinations in Leichhardt. It goes without saying that tourism in Cairns and the tropical north region is critical to the strength of the Northern Australian economy. However, it is also a prime factor in the success of the national industry. Many foreigners associate Australia with many of the natural icons in the tropical north. With natural assets such as the Great Barrier Reef and World Heritage listed rainforest, the region has the ability to attract international visitors into Australia, and ultimately these visitors in many cases stay on and visit other parts of the country.

Recently, though, as we all know, the Australian tourism industry has been facing some tough times. I know firsthand the pressures being faced locally in Cairns and the tropical north and the flow-on impacts being felt in industries such as the hospitality industry. The
tropical north has seen a decline in the past 12 months in one of the region’s most important international markets, Japan, with little growth in other key markets such as Europe. There has also been a decline in international airlines flying into Cairns in recent years, although there has been an ongoing effort and strategy development by local organisations to reverse this. I know that they also welcome the Rudd government’s aviation white paper. They will be working closely with me and the government to make sure that they have strong input into that white paper and to ensure that we have every opportunity in Cairns to attract international carriers back into our airport and strengthen and boost our local tourism industry. Additionally, the industry is trying to cope with the very high Australian dollar, which is the highest it has been for a number of years. These factors make it an uphill battle for exporting businesses and, particularly, for the tourism sector. However, the EMDG bill signals a tremendous boost to this region, and I am looking forward to the benefits of its amendments unfolding within the local tourism industry. The scheme is widely utilised in the region, and the changes that this bill will bring to the industry have been welcomed by local tourism operators. These changes come at a most apt point in time, given what the region and Australia have been experiencing of late.

Two measures proposed in the bill are of particular interest and benefit to the tropical north. One of the most significant and positive measures is the ability for regional tourism authorities to access the scheme. Tourism Tropical North Queensland, better known as TTNQ, is the region’s peak tourism industry organisation. It has welcomed the government’s decision to undertake a review of Australia’s export development policies and is particularly keen to take advantage of its eligibility to access the EMDG Scheme upon the passing of this bill. An enormous amount of the tourism promotion work in the tropical north is undertaken by TTNQ, and the government has recognised the critical role that tourism authorities like TTNQ play in regions throughout the country. TTNQ has established itself as a productive and effective organisation, and its proactive approach has placed it in an excellent position to capitalise on this legislative change. I work with TTNQ personally. The Minister for Trade, Mr Crean, visited the region, and we worked directly with TTNQ in the development of the amendments to the legislation. The TTNQ will benefit directly from these changes. TTNQ’s key objective is to build destination awareness in Australia through a targeted program of marketing activities to achieve maximum visitation, length of stay, expenditure and regional dispersal within tropical North Queensland. The ability of TTNQ and its corporate members to fulfil this objective will be greatly enhanced by the EMDG Scheme changes.

The second measure that will have a positive impact in the region is the reduction in the minimum threshold of expenditure on eligible export promotion activities by $5,000 to a $10,000 minimum. This too has generated a positive response from the region’s operators since these changes to the bill were publicised. The EMDG Scheme has always sought to encourage small and medium-sized Australian businesses to develop export markets. However, as the act currently provides for a $15,000 minimum expense threshold, this has often drawn criticism or hesitation from some small business operators. This limit excludes a substantial number of small operators for whom, although they are successful—they are financially stable and offer a quality tourism product—investing in the EMDG Scheme poses too much of a risk and/or commitment to their standard operations. However, changes to the legislation will ensure that these small businesses are not turned away in the future.
These two measures are both conducive to boosting the tropical north’s tourism capacity. Already research and planning have started in the local industry, with various operators ready to seize the opportunity this legislation will bring. TTNQ has instigated discussions as to how best to maximise the potential to access additional support for the region. A number of joint ventures have been tabled which would not have been considered had the government not revitalised the EMDG Scheme.

TTNQ is seeking to pull together export ventures that will allow very small operators to work with major operators to sell unique Australian experiences. For example, Indigenous tourism offers a host of opportunities for the tropical north. There is an extensive and rich cultural heritage in the region. Tropical North Queensland is home to a number of Indigenous communities, which have a tremendous amount of history, culture, art and traditions to share with visitors. This, coupled with the spectacular landscape that covers the peninsula area, represents significant tourism potential for a number of markets overseas. Whether it be fishing charters, nature tours or Aboriginal and Torres Strait Islands culture and historic experiences, a number of Indigenous operators, many of whom are only small enterprises, have expressed an interest in TTNQ’s strategy to combine forces, venture into international markets and market these unique experiences.

Some of these Indigenous operators may not have the business expertise or confidence and/or the financial backing to participate in the EMDG Scheme individually. However, with a reputable organisation like TTNQ providing direction and support, combined with the scheme’s financial threshold being lowered, there is a greater incentive for them to now explore international marketing options. As mentioned previously, this not only will benefit Far North Queensland but has the capacity to boost other regions as travellers continue on throughout the country. The Indigenous tourism market is somewhat untapped, and I believe there is real potential to develop this further. The EMDG Scheme has provided an ideal platform for this to be taken to the next level.

There are a number of indirect benefits that may result from increased tourism activity in these Indigenous communities, which should also be realised. Increased employment opportunities for local Indigenous community members are one such key benefit. Indigenous operators can contribute to cultural revitalisation within their own communities. Many will seek to employ local Indigenous people. These locals sharing their knowledge will not only inform tourists about Indigenous culture in a very authentic way but also help to preserve their own culture through awareness and education of many traditions within their own families, tribes and communities. There is a threat that some of the Indigenous languages, for example, may be lost, as younger Indigenous generations may not be engaging in their own culture like their elders did before them. These local employment options represent one way they can reconnect.

Aurukun Wetlands Charters and the Mapoon turtle rescue project are just two examples of successfully run Indigenous ventures. There is also tremendous potential in the Torres Strait for the development of further tourism enterprises—in particular, the arts industry in the Cape—and, as a result of these amendments, there will be the ability to market these experiences overseas.

Another example of a collaborative project that the EMDG Scheme changes have kick-started is the Great Tropical Drive. Already an established tourism product, this has signifi-
cant potential to be marketed further, thanks to the expanded EMDG Scheme criteria. The Great Tropical Drive is a self-drive touring route that incorporates over 2,000 kilometres of road, taking those who participate to many sites along the way. A range of driving itineraries have been developed for different audiences, such as wildlife, food and wine, and Indigenous drives. The Great Tropical Drive is marketed effectively in its current state. However, the EMDG Scheme provides a real opportunity for this product to reach an international market. It will give many smaller operators—and there are many scattered throughout the entire region along the Great Tropical Drive route—the opportunity to participate in a collaborative marketing effort that will feature in the international arena, something they would not have thought possible on a sole basis. Similarly to the Indigenous tourism concept, the benefits of this are multifaceted. Individual tourism operators benefit from increased marketing exposure, as they are part of a much larger, widespread product and team. They are able to overcome financial restraints due to the joint effort and the lower expenditure limits. Such collaboration will enhance the strength and quality of the Great Tropical Drive product. The more operators who participate, the stronger the product, which then has an improved chance of receiving international attention and providing a return on their marketing investment.

If you drive from Cairns to the Daintree, you are doing one of the world’s great drives. As you come out of Port Douglas and go up through Mareeba, across the tablelands and back down through the Innisfail region, you are in magnificent country. It is spectacular country. I have travelled extensively throughout the world and I reckon I live in one of the most beautiful parts of the world. The Great Tropical Drive is a great experience that the EMDG Scheme amendments will enable us to market much more effectively overseas. They will allow small operators to come together and work with local tourism organisations such as Tourism Tropical North Queensland. Those individual businesses will be effectively marketed together overseas.

Mr Danby—I’m from the south but I agree with you.

Mr TURNOUR—Thank you, and I appreciate that support. Another angle that Tourism Tropical North Queensland is pursuing as a result of the EMDG Scheme enhancement announcement concerns climate change. It is seeking to bring together climate-change-sensitive operators to work to show the world that holidays in Australia not only can be carbon neutral but also can reduce carbon footprints. In an era when ‘going green’ is fast becoming an important priority, tourism operators in the region are looking to operate in a more environmentally friendly way and to become not players but leaders in this field. The tropical north contains many coastal communities which are more susceptible to climate change risks. We are lucky enough to have World Heritage listed rainforests and the iconic Great Barrier Reef. Tourism in the region is built upon our amazing natural assets, so it is in our best interests to do everything we can to ensure they are preserved so that future generations are able to witness and experience what we are lucky enough to have surrounding us every day.

The world is taking action on climate change, and Australians are passionate about moving with this tide. Unlike the previous government, federal Labor has shown a clear commitment to tackling the threats that climate change poses. The Rudd government’s first budget clearly demonstrated this, as $2.3 billion, over the next four years, will be invested in measures that will help us all combat and adapt to this very real issue and risk. Whether it be at a local level in our households through installing solar panels, at a national level with the emissions trad-
ing scheme or in the global arena with the Kyoto protocol, the Rudd government is committed to tackling climate change. Out of this funding comes—and this is very pertinent to my electorate, as well as to my neighbours to the south—the $200 million reef rescue package. The Great Barrier Reef Rescue Plan will help to protect and preserve the reef for future generations, largely through improvements to water quality.

Tourism operators in the region have the ability to use this green concept to their competitive advantage. People across the world are becoming very conscious of their environmental impacts, their energy use at home, the cars they drive, the groceries they buy and—I am sure we are moving towards this, and we may already be there—the holidays they take. By grouping these like-minded operators together, which I understand they are already doing through the efforts of TTNQ, and collaborating on a green marketing program internationally, there is real potential to capitalise on this trend—a trend that is here to stay. There are many people throughout the world who would be attracted to a low-carbon impact holiday, offered by clean, green operators in one of the most environmentally precious regions on earth. Once again, the EMDG changes have offered a platform for Tourism Tropical North Queensland and some of our greener local tourism operators to explore this further.

Another important point that is pertinent to this EMDG bill concerns our long-term future. In delivering the EMDG amendments, the government has recognised that it needs to secure our future. There is no mistaking the resources boom that has occurred over the last decade or so in Australia. There is no denying that the tropical north has benefited significantly from this activity in recent years. However, there are clear signs that some sections of the economy are slowing, and certainly the tourism industry in the tropical north is experiencing this. Inflation is at a 16-year high. Official interest rates have increased eight times since 2004. Petrol and grocery prices are becoming more expensive. At least one in five households in my electorate is in mortgage stress or paying more than 30 per cent of its income in mortgage repayments. Over a quarter of renting households are in the same predicament. These factors are putting family budgets under pressure in tropical North Queensland.

It is for reasons such as these that we must support and remain focused on other core industries. In the tropical north we want to ensure that our region is sustainable past any boom. We must not squander the proceeds the mining boom has provided but look to the future and work towards ensuring we are able to recover from the period of economic slowing that we are entering. We want to ensure that tourism is one industry that comes out the other end of such a period in a strong and positive position.

I am pleased the Rudd government has acknowledged this need and has committed to ensuring our trading sector continues to be a positive contributor to economic growth. Tourism development needs continual attention in our country. The Export Market Development Grants Scheme is now a program with renewed focus and funding, and I am confident it will improve the export productivity and competitiveness long past the economic boom we have experienced and through the economic slowing we are now experiencing in tourism, particularly in the tropical north.

Federal Labor have demonstrated their commitment to improving the country’s trade performance. The EMDG amendment bill is a key element to this effort and the tourism industry is a significant benefactor of the work that is being done by the government in this field. The tropical north tourism industry has been receptive to and welcoming of the government’s ac-
tions to revitalise the Export Market Development Grants Scheme. TTNQ has been a leader locally in pulling together local businesses to take advantage of this. They are definitely going to benefit from this legislation and these amendments. I strongly support this bill in its progress through the House.

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (6.08 pm)—The Export Market Development Grants Amendment Bill 2008 satisfies an election commitment to improve Australia’s trade performance. Of course, that is central to securing the long-term economic future of the country. In the first six months of government, Labor have put a lot of work into recalibrating our approach to trade negotiations to give renewed emphasis to the Doha Round and have commissioned a major review of trade policies and programs by Mr David Mortimer. The Export Market Development Grants Scheme assists small and medium-sized Australian businesses to develop export markets, reimbursing up to 50 per cent of expenses incurred on eligible export promotion activities. The changes contained in this bill will revitalise the EMDG Scheme and increase funding by $50 million. The most significant measures in the bill will increase the maximum grant available by $50,000 to $200,000, lift the maximum turnover limit from $30 million to $50 million and reimburse the expenses related to patent protection in international markets—all extremely important initiatives to strengthen the scheme.

Exports are vital to the long-term prosperity of the nation, and over the past five years world trade has grown at twice the rate of world output. If we want to secure Australia’s economic future beyond the resources boom, we must engage in the fastest-growing areas of international trade opportunity. Austrade research shows that firms that export pay higher wages, provide stronger growth in employment and are more profitable. By diversifying the sources of demand, we reduce our economic risk to downturns in the domestic economy or individual parts of the global economy.

It is relevant to note that we have recently been hearing condolence speeches concerning the passing of Australia’s greatest industry minister, John Button, and I think on the speakers list for this evening there are further speakers in that regard. By far the most common triumph attributed to Senator Button was transforming the manufacturing sector into an outward-focused and export oriented sector. This secured the long-term future of manufacturing in Australia in many areas, and we are seeking to build on that reform process and that tradition with these amendments to the EMDG Scheme and our wider economic reform agenda—that is, the reform agenda of the Rudd Labor government.

The Export Market Development Grants Scheme has been cut in half in real terms since 1995-96 and that is the fact of the matter. This was at the same time the Howard government promised to double the number of exporters, but they failed woefully at delivering on this promise—and it is no surprise, given the attitude to the EMDG Scheme during the period of the Howard government. The coalition’s attitude to trade policy was not isolated to the Export Market Development Grants Scheme; they also abolished the successful International Trade Enhancement Scheme. One study of the effectiveness of the EMDG Scheme found that it returns an additional $12 of exports for every $1 of outlay. In 1997-98 and 2004-05 the Howard government changed both the eligibility criteria and the thresholds, which made it harder to access the scheme. As a result, in six of the 10 years following 1997-98 the scheme was in fact underspent, notwithstanding the return that is available in aggregate economic terms.
The attitude of the Howard government during that period pervaded all of the Howard government’s trade policies. Unfortunately, it is the economy and, of course, the Australian population who depend upon the economy who paid the price for that approach. In the last six years of the Howard government, despite the resources boom, total export revenues grew at an average annual rate of only 5.8 per cent, compared to the 10.7 per cent in the previous 18 years following the 1983 float of the dollar. As a result, the Howard government’s legacy is 70 consecutive months of goods and services trade deficits. No government in our history has presided over such a run. In fact, the trade deficit for the December quarter of 2007, the last quarter during which the Howard government presided, was almost $7 billion, the worst on record. That is the export trade performance that the Rudd Labor government inherited after 12 years of the Howard government.

Net exports made a positive contribution to economic growth in only two of the 12 years that the Howard government was in office. This compares to Labor’s record between 1983 and 1996, when net exports made a positive contribution to growth in 10 of the 13 years. The lesson from all of this is that a government determined to focus on export growth in international trade can have an effect on the country’s performance. As a consequence of the neglect in the Howard period, we now have a current account deficit at a record level of around six per cent of GDP and soaring foreign debt of $554 billion, measured in the 2006-07 financial year.

Even more concerning is the performance of elaborately transformed manufactured exports. In the decade to the mid-1990s, the Labor government focused on diversifying Australia’s export mix from an overreliance on the quarry and farm to a more modern and open economy, with a stronger presence of value-added services and ETMs. We lost this focus under the previous government, which lazily relied on the resources boom. This has exposed the country to serious risks, the greatest of which is our diminished capacity to reap the gains from participating in the high-growth global trade in knowledge and technology intensive goods and services. That is where the growth is and that is where we must focus as well. In the last six years of the last Labor government, elaborately transformed manufactures export growth averaged 17½ per cent per annum. This compares with the last six years of the Howard government, where the average ETM export growth rate was only 4.1 per cent. Unless we reverse this trend the Australian economy will not be on a sustainable footing when the resources boom eventually runs out.

The disastrous trade performance under the last government occurred because they failed to invest in the drivers of economic growth and international competitiveness—skills, education, innovation and effective infrastructure. Investment in R&D and other forms of innovation is a key success factor in our international competitiveness. Unfortunately, that investment also stalled under the previous government. In the nine years to 1995-96—Labor years—business investment in R&D grew in real terms by 11.4 per cent per year. In the nine years to 2004-05—the Howard years—business investment in R&D grew by only 5.1 per cent per annum. That is 11½ per cent versus 5.1 per cent. What is even more appalling is that, over the two periods, the annual real growth rate in manufacturing research and development—which is crucial to being able to participate in the growth of trade and elaborately transformed manufacturing—fell from 10.6 per cent to 1.9 per cent. As a result, again, Australia’s business investment in R&D as a share of GDP is only 62 per cent of the OECD average. That is a very
important means of measuring the seriousness with which we in Australia are approaching the challenge of R&D.

A strong education skills formation and training system is vital to our international competitiveness. Over the last 150 years the measure of a nation’s economic development was the number of tonnes of iron and steel it produced. In this century, it will be the number of graduates, especially in science and engineering, that our nation generates. Investment in education is the linchpin of our future economic potential and trading performance. And what did we see in the last 11 years of the Howard government? We saw the proportion of Australian adults with at least upper-secondary education sitting below the OECD average. We saw Australia ranked near the bottom of the OECD in terms of the annual growth rate of graduates with science and engineering degrees. Our national investment in early childhood education was well below the OECD average. Since 1998 more than 300,000 people have been turned away from TAFE. Since 2001 almost 150,000 eligible applicants were turned away from our universities. That is an appalling record when we are confronting the economic challenges we have.

It is not surprising, therefore, that in the decade since 1995 Australia was the only OECD country to effectively cut public investment in tertiary education at precisely the time we needed to be significantly increasing it. The average increase in public investment by other OECD countries and aggregates since 1995 was 48 per cent, whereas our investment fell by seven per cent. The situation was so bad that in 2005, amidst a skills shortage, there was actually a drop in TAFE students overall. There was no growth—in fact, it was negative. In four of the five years between 2000 and 2005, the fact is that TAFE student enrolments actually declined.

How can we be expected to compete in global markets for knowledge intensive goods and services when we are training fewer TAFE students and underinvesting in tertiary education generally? This is one of the challenges that the Rudd Labor government faces, and it is great to see that the budget is tackling this problem. Look at some of the key elements—investing $11 billion in the Education Investment Fund, spending $1.2 billion on the digital education revolution, outlaying $2.5 billion on trades training in schools and committing $1.9 billion to deliver up to 630,000 training places. It is important to note that, in contrast to the former government’s Higher Education Endowment Fund, not only is Labor’s Education Investment Fund $6 billion larger but it can also be spent on vocational education and training facilities, not just on university infrastructure. Improving our international competitiveness will be equally dependent upon having a modern, well-resourced vocational education and training sector and a modern university system.

Developing additional economic, social and innovation infrastructure is essential to relieving the capacity constraints experienced in the economy. It is also critical to increasing productivity and driving export growth. We are seeing the impact of infrastructure bottlenecks such as clogged ports preventing resource exports. Living in Newcastle, I know this just as well as anyone, with the queue of ships off the coast. This is a direct result of the decade of neglect under the former government and it is great to see that this neglect is beginning to be addressed in the budget.

The establishment of Infrastructure Australia and the $20 billion Building Australia Fund will in time help to remove capacity constraints, improve our competitiveness and boost our exports. The government recognises its economic reform agenda must do all it can to restore
Australia’s trade performance. This will help ensure that our trading sector once again becomes a positive contributor to economic growth in this country and places the economy on a sustainable basis beyond the resources boom. This will complement trade-specific policies such as the subject of this bill, the improvements to the Export Market Development Grants Scheme. These improvements will assist small and medium-sized Australian businesses to develop export markets and help reverse the awful trade performance under the previous government. This is going to be one of the key challenges for the Rudd Labor government—a challenge that has been grasped in the recent budget, in the policy position that has been adopted and in the activities of the Minister for Trade, Mr Simon Crean. It is a position that I am very proud to support through this bill.

Ms VAMVAKINOU (Calwell) (6.22 pm)—Ensuring that Australia has a vibrant export industry, one with strong prospects for future expansion and growth, is fundamental to the long-term health of our nation’s economy. For many Australian firms, turning to export markets overseas offers enormous opportunities in revenue growth, job creation and product diversification. Like many in this country, I strongly believe that there is an enormous potential in Australia to see export growth across a range of different industries and sectors.

Spend just a day touring some of the businesses in my electorate of Calwell and you will see the level of commitment, drive and talent that underscores the potential that exists in Australia when it comes to creating high-quality, innovative products and cutting-edge technology ready to export to the rest of the world. If we are going to harness this potential, it is crucial that we get the policy setting right. Ongoing government support has an important role to play when it comes to growing Australia’s export industry. This includes providing tangible support to Australian firms looking to enter the export market for the first time, as well as helping Australian exporters continually grow their business by accessing new markets and taking advantage of new export opportunities overseas. Unlike our predecessors, the government understand that we have an important role to play when it comes to supporting Australia’s export industry, just as the government understand the importance of investing in the drivers of Australia’s economic growth—in education and training, in innovation as a key component of industry policy, in new technology and in infrastructure.

The Export Market Development Grants Amendment Bill 2008 seeks to make a number of important changes to the Export Market Development Grants Act, under which Australia’s Export Market Development Grants Scheme was first established, in 1974. Since then, the scheme has provided grants to help Australian firms get their business exports ready and it has provided much needed support to Australian exporters looking to expand their operations when it comes to taking advantage of new market opportunities overseas.

The main benefactors of the Export Market Development Grants Scheme have been small businesses. We know that 75 per cent of all applicants to the scheme employ fewer than 20 people and that 81 per cent have an annual turnover of $5 million or less. We also know that around one-third of all applicants are completely new to export. These statistics give us a clear picture of the sorts of benefits this scheme offers. In particular, the Export Market Development Grants Scheme has served to provide both support and additional incentives to Australian small businesses looking to export their products and technologies overseas, often for the first time, who rarely have the funds or expertise to do so. By providing them with additional funding, it has helped many small businesses become export ready, with the follow-
on benefits of revenue growth and job creation never far behind. We also know from recent studies that the scheme has met with considerable success, with one study undertaken in 2000 showing that for every $1 spent under the scheme an additional $12 is generated in export revenue.

Despite the importance of the Export Market Development Grants Scheme in helping Australian businesses get export ready and access new market opportunities overseas, the former government showed little commitment to it. Its complacency over the last decade saw the scheme effectively cut in half in real terms. In both 1997-98 and 2004-05, the previous government introduced changes to the eligibility criteria and thresholds contained under the scheme that made it harder for Australian businesses to access it. Not surprisingly, these changes generated considerable opposition from within Australia’s business community.

The former Howard government then attempted to mitigate some of the problems these changes had created by, for example, promising to increase the amount companies can claim for overseas travel from $200 to $300. It also removed accountability requirements, which meant that successful applicants to the scheme were no longer under any obligation to justify their performance. But it then failed to adequately fund these changes, leaving behind a large catalogue of underpayments and a net shortfall of $27 million, which has affected some 900 claimants. These claimants have already spent money in the expectation that their costs will be reimbursed under the scheme. As was the case when it came to industry policy, the previous government failed to get Australia’s trade policy right. In particular, it squandered the golden opportunity that was presented to it by Australia’s commodities and resources boom to boost government investment in export and trade.

The changes contained in the Export Market Development Grants Amendment Bill 2008 start us down the path of reversing some of these failures. In particular, the bill seeks to increase the maximum funding available under the scheme by $50,000. Successful applicants will now be able to receive up to $200,000 to help them implement new export strategies and pursue new export opportunities overseas. The bill also widens the eligibility criteria by increasing the turnover threshold for eligible applicants from $30 million to $50 million, thus allowing more businesses to apply for the scheme. It also seeks to halve the minimum expenditure threshold of applicants, again widening the eligibility criteria to include smaller businesses that may not have an enormous amount of capital outlay at their disposal. Applicants will now be able to receive a maximum of eight grants under the scheme instead of the previous maximum of seven grants, allowing them to access the Export Market Development Grants Scheme for longer periods. In addition, the bill seeks to reinstate a performance measure for applicants who are claiming their third successive grant under the scheme, and this measure will hold for all subsequent grants obtained by these applicants under the scheme.

Collectively, these changes will see an increase in the funding that is available to successful applicants under the Export Market Development Grants Scheme, a widening in the criteria of eligibility in terms of both maximum turnover and minimum expenditure thresholds and the reinstatement of a performance measurement test to make sure that we get the maximum benefit out of the scheme. These are important changes and they underscore the Rudd government’s commitment to trade and to getting the policy setting right, especially when it comes to turning around the mediocre performances of our export growth over the last decade.
Whilst world trade has grown at twice the rate of world output over the last five years, Australia’s total export revenues managed an annual average growth rate of only 5.8 per cent over the same period. In Australia, export industry growth has slowed considerably despite the fact that world trade has risen dramatically. Exports in Australian goods grew by only 6.4 per cent. Australian manufacturing fared even worse, managing a growth rate of only three per cent. By way of comparison, the average growth rate in exports of Australian goods has been 10.3 per cent since 1983, whilst for manufacturing exports it was 13 per cent over the same period—a significant difference from the figures we have seen over the last five years of 6.4 and three per cent respectively.

Seventy consecutive months of trade deficits under the former Howard government were the net result of those poor figures, with Australia’s current account deficit reaching record levels and our foreign debt levels trebling. It is the same story when you look at productivity in Australia under the former government. In the five years leading up to 1998-99, productivity growth averaged 3.3 per cent a year. In the following five years, to 2003-04, Australia’s productivity growth rate fell to 2.1 per cent a year. In the last years of the Howard government, it took yet another dive, to average out at just 1.1 per cent a year. These falls in Australia’s productivity and export growth rates reveal the extent of the former Howard government’s failure to plan for Australia’s future and to invest in the drivers of economic growth.

We live in an age where the competition over resources, skills and technical expertise and access to emerging and established markets has become more and more pronounced. We simply cannot afford to become complacent and we cannot afford to drop the ball. That is why the Rudd government has adopted a coordinated approach to tackling the economic challenges Australia faces, both now and into the future—creating additional places in skills training, boosting government investment in education as part of our commitment to an education revolution, committing $4.7 billion to build Australia’s first national broadband network, introducing new government initiatives aimed at fostering a culture of innovation and encouraging greater emphasis on research and development in Australia’s manufacturing and industry sectors, and establishing Infrastructure Australia, whose principal aim is to provide a strategic blueprint for Australia’s current and future infrastructure needs. Nor can we afford to become complacent when it comes to providing real and tangible support to Australian exporters, as well as those businesses looking to break into the export industry for the first time.

I would like to briefly turn to one area of Australian manufacturing—namely, the automotive sector, which is particularly close to my heart as the federal member for Calwell. Recent trends in Australia’s car-manufacturing industry serve to highlight the importance of export and trade to Australian manufacturing. In 2007, sales of Australian made cars accounted for only 19 per cent of total car sales in Australia, down from 30 per cent in 2002. Over the same period of time, the total value of imported cars in Australia increased to $27 billion in 2007, up from $18 billion in 2002. To offset their declining share of Australia’s domestic car market, Australian car manufacturers have increasingly focused on maximizing export opportunities overseas. In 1997, only 16 per cent of the total production of Australian motor vehicles was sold overseas. In 2006, this figure increased to 40 per cent of total production, with the Middle East emerging as Australia’s largest export market for cars. In particular, Saudi Arabia is now Australia’s largest single trading partner in automotive sales.
Certainly when it comes to the future of manufacturing in Australia, the general consensus is that identifying new export opportunities and successfully opening up new overseas markets to quality Australian made products will play an increasingly important role in shaping the industry’s future and helping consolidate its future growth.

The importance of export trade has not been lost on Australia’s component manufacturers either, with a 2.6 per cent increase in component exports since 2002, and this trend looks set to continue. The growth in export sales has been one of the few good news stories to come out of Australia’s automotive manufacturing sector, though the rising dollar continues to blunt that growth. What needs to be made clear is that the Rudd government is committed to helping turn around the fortunes of Australia’s car-manufacturing industry, and I am confident that our green car partnership program will go some way towards achieving this end.

The lesson here is that export sales continue to grow in importance for many sectors of the Australian economy, and opportunities to export our products overseas continue to open up new possibilities for economic growth. That is why measures of the type contained in this bill, which seek to channel additional funding and support to Australian exporters and provide additional incentives to Australian firms looking to break into the export market for the first time, are so important, especially in today’s climate of increased competition and expanding world trade. I therefore commend the Export Market Development Grants Amendment Bill 2008 to the House.

Mr CREAN (Hotham—Minister for Trade) (6.35 pm)—in reply—First of all I want to thank the member for Calwell, who has just concluded the debate on this bill, for her contribution in this debate. Like so many on our side of the chamber, we do understand the importance of creating the environment to grow the export sector, and I am delighted that this bill gives us the opportunity to talk about one of the ways in which that can happen. I want to thank all those who have contributed to the debate. I also want to thank the opposition for supporting this measure.

The Export Market Development Grants Amendment Bill 2008 represents an important step. It is a down payment in delivering on the Rudd government’s commitment to improve Australia’s woeful trade performance under the previous government. In their contributions to this debate yesterday, the shadow minister for trade and his colleague the Leader of the National Party and former trade minister were in denial about Australia’s lacklustre trade performance. They defended the trade policies of the former government that have now delivered 72 consecutive monthly trade deficits despite a resources boom. No government has presided over such an appalling performance in terms of trade. A major shake-up of trade policy is clearly needed to correct the failings and negligence of the Howard government.

At the outset, I would also like to say that trade does matter and, if we are going to improve our performance, change is needed. In the past 50 years, world trade has grown on average three times faster than world output. But in the last five years, as we have seen this stalling process in the Doha Round, it has grown only twice as fast. It should have grown much more strongly, had we been able to conclude a Doha Round. Each successful round of trade liberalisation has fuelled world growth in trade. In times of economic uncertainty, like those that we face now, a successful round would be a tremendous boost to the confidence of the world economy. That is why trade matters and why it is important for us to drive issues that continue to liberalise trade and improve market access. We are vigorously using all available channels
to work towards a Doha outcome, including through revitalising the Cairns Group, which Australia chairs, a group created when Labor was last in office.

Yesterday the Leader of the Nationals demonstrated just how out of touch he is on trade policy by telling this chamber that we have dropped the ball on the Cairns Group and that it has not met since we came to office. I can tell the Leader of the Nationals that we did have a meeting of those Cairns Group members present at Davos in January, within weeks of us gaining office. I met all Cairns Group ambassadors in Geneva after the Davos meeting to brief them on its outcomes. I have also written to all Cairns Group ministers, noting that we will meet as soon as the ministerial process in Geneva is underway. I have been in touch with every one of my ministerial colleagues from the group by phone, in some cases several times. This government did not drop the ball with the Cairns Group. Rather, the former government allowed its influence to decline. We are about revitalising the Cairns Group and Australia’s role at the WTO, unlike the former government, which squandered the opportunity of this unique grouping to be front and centre of the talks in Geneva.

We also understand the need for an integrated approach to trade policy. That is why we have developed a twin pillars approach to trade policy. The first pillar is reform at the border, pursuing improved market access for our exporters: the multilateral round, regional initiatives and bilaterals. But there is no point seeking and obtaining improved market access if your economy is not competitive enough or productive enough to take advantage. That is why the second pillar is also so important—reform behind the border, continuing to strengthen the economy and making it more productive and competitive. Improving access is important but on its own will not guarantee an improved trade performance unless Australian companies, as I say, are productive and competitive enough to take advantage of the new opportunities.

Within this framework, export facilitation programs can play an important role in securing the future of Australian industries and Australian business through assisting them to access the global marketplace. The Hawke and Keating governments did dismantle the protective barriers but at the same time they encouraged growth through successful export facilitation programs, including the Export Market Development Grants Scheme, the International Trade Enhancement Scheme and the Innovative Agricultural Marketing Program.

During the last Labor government’s 13 years in office, net exports made a positive contribution to growth in 10 of those 13 years. Compare that with the woeful record of the Howard government where net exports only made a positive contribution to growth in two of their 11 years, despite the longest lasting resources boom in at least 50 years. The coalition government never understood the important role that export facilitation programs can play in encouraging more companies to get into the export market. They, in fact, halved the value of the Export Market Development Grants Scheme in real terms. They abolished the Innovative Agricultural Marketing Program and they abolished the International Trade Enhancement Scheme despite the fact that the study of the scheme’s success concluded that it returned $18 in exports for every dollar outlaid by the government. The previous government’s neglect of export facilitation programs is one of the reasons that they failed dismally to deliver on the lofty promises they made in 2001 and 2004 to double the number of exporters. There they were, a government that proposed to double the number of exporters, but they halved the value of the scheme that is an instrumental part of promoting that export growth.
To add insult on top of the neglect and the running down of the scheme, two years ago they changed the guidelines for the Export Market Development Grants Scheme but did not provide any additional funds to support those changes. They have got the gall in this debate, despite the fact that they are not opposing what we are doing, to question whether the funds that we have provided for the improvements to the scheme contained in the bill are adequate. What hypocrisy. Exporters who are getting considerably less in their second tranche grant payments this year, only determined after the election, when they were led to expect by the previous government’s announcements that they could access it more readily, are the people who are now complaining about the underpayment. The blame for that underpayment lies squarely at the feet of the previous government.

I have received a number of letters from businesses and members of parliament, including some of those opposite, about the EMDG funding shortfall.

Mr Fitzgibbon interjecting—

Mr CREAN—The Minister for Defence tells me that he has got one on its way. I will give him something of the answer now for the reasons for the reduction. The simple fact is that the previous government’s eligibility conditions, which they changed a couple of years ago, had the effect of increasing grant claims by 27 per cent this year. Here we have a scheme that had already been cut in half, so not only was there no new money—in fact there was significantly less money than we have made provision for—but they went out and announced changed guidelines to make it easier to access, or at least more attractive for a wider group of people to make claims, and indeed there was a 27 per cent increase in claims. But, in their 2007 election promises, they did not provide any additional funding to cover the impact of those eligibility changes.

Despite the billions and billions of dollars that they were throwing around in their desperation to get re-elected, they could not find money for this scheme. We heard the Treasurer in the parliament earlier today talking about the fiscal profligacy of the previous government trying to get itself re-elected, but there was no money for this scheme despite the fact that the government was leading people to believe that there would be more opportunity to access the scheme. That is deception of the worst form, but it is what the previous government practised, having over the previous 11 years cut the scheme in half.

Nor can the former government plead ignorance in this matter. The shadow minister for trade gave the game away when he told the Financial Review on 19 December last year that he and the members for Lyne and Wide Bay had fought hard to get more money for the program. The Financial Review article quotes the shadow minister for trade:

I have to be frank and say that was as a result of just keeping the budget in balance.

It was an area where Mark Vaile and I, and Warren Truss and I were in absolute agreement that we needed more money into that area.

So here are a group of ministers sitting around the cabinet table who knew the problem but could not carry the day. They could not carry the day in circumstances in which the government of the day, to get itself re-elected, was spending money like drunken sailors.

Worse, they decreased the recipients. They increased the ability to apply; they decreased the funds. So it is a bit rich for members of the opposition to criticise us for their own failure to deliver the funds that were needed to provide for a larger second tranche payment this year.
Their changes to the scheme increased claims by nearly 30 per cent, but they provided no additional money.

In this debate the shadow minister for trade also said it was always their intention to put more money in—but the fact is that they tried to get more money and failed. They fought but failed. Labor have not failed, and that is why we have put this bill before the House so early in the term. Not only have we introduced important new changes to eligibility but we have significantly funded those changes with an additional $50 million in the budget to bring the total funds available in 2009-10 to $190 million to provide greater assistance to Australia’s export communities.

The changes to the scheme contained in the bill are a down payment on the overall reforms to trade policies and programs that will follow the Mortimer review. We have not just commissioned a review, as important as that is; we have made decisions in this budget. This bill will increase the maximum grant by $50,000 to $200,000 and lift the maximum turnover limit from $30 million to $50 million. It will increase the limit on the number of grants from seven to eight. It will allow expenses related to acquiring patent protection in international activities. It will allow state, territory and regional trade promotion bodies, including tourism promotion bodies, to access the scheme—and I notice the member for Leichhardt had some important things to say in this regard.

It will cut the minimum expenditure threshold by $5,000 to $10,000. It will replace the current list of eligible internal and external services with a new non-tourism services category that will provide for all services supplied to foreign residents, whether delivered inside or outside Australia, to be eligible unless specified in the EMDG regulations. It will apply a new ‘net benefit to Australia’ test to applicants claiming their third and later year grants.

Business will welcome these changes. Labor has listened. We have responded through this bill, and in the budget the funds were provided. With these changes, more small and medium-sized businesses, particularly in the services sector, will be able to access the scheme. For the first time, regional economic and tourism bodies will be eligible for grants. The new ‘net benefit to Australia’ test will restore accountability to the scheme in a way which is WTO compliant.

The funding for these measures was confirmed in the budget, but they were not the only measures in the budget that will contribute to improving Australia’s trade performance. Those years of neglect of the Howard government in the provision of essential infrastructure will be addressed through the new $20 billion Building Australia Fund, which will be used to build critical economic infrastructure such as roads, rail, ports and broadband. The infrastructure development will benefit all exporting sectors, including manufacturers, miners, farmers and the services sector, particularly in increased productivity.

The skill base of the Australian workforce will be addressed through the $11 billion Education Investment Fund, and $62.4 million over three years will be provided to give Australian students the language skills they need to engage with our Asian neighbours. A generation of students missed out on the opportunity to study Asian languages when the Howard government abolished a similar program put in place by the previous Labor government—in fact, introduced when I was the Minister for Employment, Education and Training. This is a government that understands also that responding to climate change is about more than just the environmental challenge; it represents an economic opportunity for our business community.
and there are key budget measures that will help Australian business to position themselves to take advantage of these opportunities.

This government has also recognised the importance of an integrated, fully coordinated trade policy that reflects the increasing importance of international capital flows and global supply chains. That is why we have announced in the context of the budget that the Global Opportunities and Invest Australia functions will be incorporated into Austrade. The previous coalition government neglected the needs of exporters and always failed to understand the changing nature of trade. It is no longer just about exports; it is just as much about our business and exporting community.

The previous government never understood the implications of the fact that the net outward investment is now approximately equal to the net inward investment. Because under them trade policy defaulted to the National Party, they never looked significantly beyond agriculture—and broadacre agriculture at that. For many Australian companies, investment in offshore facilities and businesses is a very important part of their export strategy. Inward investment, which was the responsibility of Invest Australia, is also crucial to our trading performance, particularly in building capacity. Global Opportunities was focused on building the capacity of small and medium-sized businesses to participate in global supply chains.

All these activities are integral to Australia’s trade performance, and yet the previous government took key programs associated with investment and support for global supply chains out of the trade portfolio. They located them in the industry portfolio. No doubt the decision had more to do with the rivalry between the Liberal and National parties than to do with sensible trade policy. Only those opposite would know why that decision was made, but from the perspective of a sensible coordinated trade policy it simply does not make sense. So they have been incorporated, and that was an important part of the budget.

Finally, the Mortimer review: having announced all of these initiatives of down payments, reinforced in the budget, we are undertaking a review, to be headed by David Mortimer and John Edwards. This is going to give us the road map forward because we, as a government, are committed to lifting the nation’s export performance. We have been badly let down by the previous government.

This bill is an important start to the rebuilding process. I commend it to the House and I thank the opposition at least for their support for this very important measure.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

CONDOLENCES

Lance Corporal Jason Marks

Debate resumed from 13 May, on motion by Mr Albanese:

That the House record its deep regret at the death on 27 April 2008 of Lance Corporal Jason Marks while on combat operations in Afghanistan and place on record its appreciation of his service to the country and tender its profound sympathy to his family in their bereavement.

Mr FITZGIBBON (Hunter—Minister for Defence) (6.56 pm)—On the evening of 27 April, Turkish time, I was returning from dinner with the Turkish Defence Minister in Ankara
when I received one of those phone calls every defence minister dreads. The CDF was calling to inform me that we had lost a special forces soldier in Afghanistan and that a number of his mates had been wounded. The fact that the call came only two days after Anzac Day added to the sadness and poignancy of the news. Lance Corporal Marks was only 27 years of age and yet had already been a member of the Australian Defence Force for almost a decade. Having enlisted in 1999, he had served the 4th Field Regiment as a gunner and as a medical assistant to the Royal Australian Army Medical Corps. In 2005 he realised a lifelong dream in joining the Sydney based 4th Battalion of the Royal Australian Regiment—the commandos. It was as a commando that he came to serve in Afghanistan as part of the Special Operations Task Group. He was a career soldier, and the commandos represented the pinnacle of what he wanted to accomplish.

As the Minister for Defence, I come into regular contact with our service men and women and every day I witness their dedication, their skill and their courage. I am consistently amazed by their Achillean approach to their work and their overwhelming pride in what they do. From all that I have seen and heard of Lance Corporal Marks, he represented those qualities exceptionally well, and I know that his family and colleagues are justifiably proud of his service. He was highly respected by his comrades and his peers and was a soldier whose dedication and enthusiasm was an inspiration to all of those around him. He was also a wonderful and caring husband and father. He truly strove to be the best he could in everything he did.

Despite their grief, Lance Corporal Marks’s mates are continuing to fight against the Taliban in southern Afghanistan and are making a significant contribution to the stability of the region. Our troops, in conjunction with our coalition partners and of course the government of Afghanistan, are playing a vital role in keeping the Taliban and other violent extremists on the back foot. They are working tirelessly at nurturing the conditions for progress and development. Our special forces are clearing out the insurgents, and our Reconstruction Task Force is constructing patrol bases, schools, bridges and hospitals and of course training the Afghan National Army.

The international community must remain committed to this project and to a brighter future for Afghanistan, providing greater prosperity and continued freedom for every Afghan. We must honour the memory of those who have given their lives for this cause: Sergeant Andrew Russell, Trooper David Pearce, Sergeant Matthew Locke, Private Luke Worsley and now Lance Corporal Jason Marks. I thank the hardworking and professional members of the Australian Defence Force. We must never forget that our troops serving across the globe face danger every day from Afghanistan to Timor Leste, from the Solomon Islands to the Sinai, to Iraq and elsewhere. We must never forget that they work tirelessly to secure our safety and to promote our national interests. We must never forget their dedicated service and what their courageous sacrifices impart to the broader Australian community.

I felt very fortunate to be in a position to visit Tarin Kowt soon after Lance Corporal Marks’s death, both to pay my respects to him and what he did for his country and to visit in hospital his wounded mates. Both were moving experiences. The wounded, I can report, were in high spirits. They were mourning their lost mate but they were keen to get back out there again.

On Saturday I enjoyed another privilege when I welcomed home around 1,000 soldiers returning from East Timor and Afghanistan. I was there, of course, to thank them for what they
are doing for their country and its people, for what they are doing for regional security, for what they are doing for global security and for what they have done for the people of Afghanistan and in East Timor. Sadly, one of those from Reconstruction Task Force 3 was not there. David ‘Poppy’ Pearce was a member of that group and sadly lost his life in Afghanistan.

The loss of Jason Marks, Poppy Pearce, Matty Locke, Luke Worsley and Andrew Russell serves as a sombre reminder of why we pause on Anzac Day and why we acknowledge all those who have served and those who continue to serve. It reminds us that the Australian Defence Force personnel face danger every day and that every day they deserve our respect and appreciation.

Again, I offer my sincerest sympathies to Jason Marks’s family: his wife, Cassie; his two young children, Connor and Ella; and his parents, Paul and Sharon. He was a young husband and father taken from them far too soon, and I cannot begin to imagine their grief. I further express my heartfelt condolences to his friends and fellow soldiers from the 4th Battalion of the Royal Australian Regiment, who have also felt the pain of Jason’s death.

In response to an article that appeared in the *Sydney Morning Herald* this morning, can I say that the government of Australia is proud of all the men and women who serve in the Australian Defence Force, no matter whether they belong to the Navy, the Army or the Air Force and regardless of which particular role they might fill in any of those services or in the Department of Defence. When it comes to deploying Australia’s military forces, the government is guided by its principal military adviser, the Chief of the Defence Force, Air Chief Marshal Angus Houston. Let me take this opportunity to express on behalf of the government our complete confidence in the CDF, which is borne out by the fact that we recently reappointed him for another three years in that job.

The professional military advice provided to government on troop deployments is always predicated on using those force elements with the best chance of getting the job done as safely as possible—achieving their mission on behalf of the Australian people while minimising the risk of casualties. Our soldiers in Iraq, Afghanistan, East Timor and elsewhere around the globe have been doing all that we ask of them, with the greatest of courage, professionalism and effectiveness. Tonight I again thank them for everything that they do for their country.

Mr BALDWIN (Paterson) (7.03 pm)—I join the Minister for Defence in supporting the motion of condolence for Lance Corporal Jason Paul Marks, who was tragically killed in Afghanistan on 27 April 2007. Our nation’s gratitude to the men and women in our Defence Force is immense. They willingly commit to putting their own lives in danger, on the line daily, for others. While we have immense gratitude to our service men and women, sadly when we lose a fine soldier like Lance Corporal Marks the pain too is immense. Words can never do justice to the fine soldier that we have lost in Lance Corporal Marks. Beyond the pain we as a nation feel when we lose one of our internationally respected Australian soldiers is the loss of the man that was Jason Paul Marks. The loss of this man—this husband, son, father and friend—is immeasurable.

Australia presently has more than 1,000 personnel in Oruzgan province, including the Reconstruction Task Force and the SOTG, comprising members of the 4RAR (Commando) Battalion and Special Air Service Regiment. Lance Corporal Marks was in the lead platoon preparing for a company level assault 25 kilometres to the south-east of Tarin Kowt, in Oruzgan
province, when they were attacked by the Taliban on 27 April 2008. There was a heavy ex-
change of small arms fire and rocket propelled grenades between the Australian troops and the
Taliban. Even though coalition air support involving Apache helicopters and F16 fighter
bombers struck back at the Taliban position, four soldiers were wounded by small arms fire in
the same action that took the life of Lance Corporal Marks early in the contact with the Tali-
ban.

I was indeed humbled to be on the tarmac at Richmond RAAF base for the ramp ceremony
on Saturday, 3 May, when this brave soldier’s body was returned to his homeland, to his wife,
Cassandra, and to his family. It was an incredibly moving experience to bear witness to sol-
diers from his regiment, 4th Battalion, RAR (Commando), forming an honour guard as his
casket, draped in the Australian flag he so valiantly fought under and decked with flowers,
was carried from the C17 military plane. An Army piper played as the solemn procession
made its way across the tarmac; a more poignant scene is hard to imagine. The tributes for
this young man, this son, husband and father who has made the ultimate sacrifice for his
country, flowed in.

Defence Force head, Air Chief Marshal Angus Houston, has described Lance Corporal
Marks as one of the country’s finest soldiers. The Chief of Army, Lieutenant General Peter
Leahy, paid attribute to Lance Corporal Marks on behalf of the Australian Army when he said:
He is a true Australian hero, a great bloke ... admired and respected ...

He said Lance Corporal Marks had become a part of Australia’s history and the history of the
Army and that that would be revered. Major General Tim MoWan, commander of the Aus-
tralian special forces, said Lance Corporal Marks was a remarkable soldier who was ext-
tremely dedicated to his role as a commando and as an Australian soldier. Major General
MoWan struck at the core of the feelings that Lance Corporal Marks’s colleagues had for
Lance Corporal Marks, when he said:
Jason epitomized what every commando strives for: courage, strength and determination. He certainly
had a strength of character that set him apart. Jason was an extremely well liked man and his loss will
be keenly felt throughout his unit and the wider army.

Lance Corporal Marks was also a vital member of a family. He was a much loved husband to
Cassandra and a father to two small children—Ella, five months old, and Connor, five years
old—who will not know their father in the years to come. Hopefully, they will be comforted
in part by the extreme outpouring of emotion and genuine feelings from his colleagues and
the Australian public. He was a man who would be nameless to the people of Afghanistan but
who gave his life so that they may live in hope of a better life.

Born in Broken Hill in New South Wales, Lance Corporal Marks grew up in Yeppoon in
Queensland. He enlisted in the Australian Regular Army on 2 March 1999. After recruitment
and initial training, he was posted to the 4th Field Regiment as a gunner until 2003, where-
upon he transferred to the Royal Australian Army Medical Corps as a medical assistant. In
2005 he undertook special forces entry and commando selection, after which he was trans-
ferred to the Royal Australian Infantry Corps and posted to the 4th Battalion (Commando) in
the Royal Australian Regiment. After completing his specialist commando training he was
posted into a commando assault platoon, where he served as a commando assaulter, signaler
and mortar specialist. Lance Corporal Marks was also a combat fitness leader and a Pashto
linguist.
Lance Corporal Marks was a decorated soldier who had seen operational service in East Timor and Afghanistan, and he was employed to both theatres on more than one occasion. Jason had been awarded the Australian Active Service Medal, clasp East Timor and clasp International Coalition Against Terror; the Australian Service Medal, clasp Timor Leste; the Afghanistan Campaign Medal; and the Australian Active Service Medal. He was also awarded the Unit Citation for Gallantry as part of the Special Operations Task Group in Afghanistan in 2006.

According to his wife, Cassandra, all Jason ever wanted to do was join the army. She said:

All Jason ever wanted to do was to join the army …

He was the type of man who knew what he wanted, even from the age of 12. All Jason ever wanted to be was a soldier.

Becoming a Commando was a dream of Jason, he was proud of who he was and proud of what he did. Buried in his childhood home town of Yeppoon in Queensland, his name will now forever be recorded in history linked with the Anzacs and other brave men and women before him on the town’s cenotaph. I say to his wife, Cassandra, to his two young children, Ella and Connor, to his mum and dad, Sharon and Paul, to his brother, Lance, and to his brother-in-law, Phillip: our nation shares your loss and grief. I can assure them that at the going down of the sun and in the morning we shall remember Lance Corporal Jason Paul Marks. Lest we forget.

Mr GRIFFIN (Bruce—Minister for Veterans’ Affairs) (7.10 pm)—I would like to also express my sorrow at the loss of Lance Corporal Jason Marks of the 4th Battalion (Commando) in the Royal Australian Regiment, who lost his life on 27 April while serving with the Special Operations Task Group in Afghanistan. Lance Corporal Marks died when his patrol was attacked by about 20 Taliban extremists in Afghanistan’s Oruzgan province. Jason Marks was 27. He was born in Broken Hill and later lived in Yeppoon, near Rockhampton, in Queensland. He enlisted in the Australian Army in 1999, serving in the 4th Field Regiment. Lance Corporal Marks served as a gunner until 2003, then as a medical assistant in the Royal Australian Army Medical Corps. He had served with 4RAR (Commando) since qualifying for special forces in 2005.

Australia will remember Jason Marks as a dedicated, superb soldier. At the ceremony marking the return of his body home to Australia, the Special Operations Commander Australia, Major General Tim McOwan, said:

Jason epitomized what every Commando strives for: courage, strength and determination. He certainly had a strength of character that set him apart. Jason was an extremely well liked man and his loss will be keenly felt throughout his unit and the wider Army.

Lance Corporal Marks leaves behind a young family. His wife, Cassandra, has told the nation of a devoted father and loving husband whose dream was to serve in the Army as a commando, a man who was proud of who he was and what he did. To Mrs Marks and her two children, Connor and Ella, I express my deepest condolences. The loss of any serving member is a tragedy for Australia but it is devastating for the family left behind. Today we honour his memory, and the Australian government, the Department of Defence and my department will be offering all the support available to assist the Marks family. Case officers from my department will be meeting with Mrs Marks this week to ensure that the Marks family receive their full compensation entitlements.
Another four soldiers were also wounded during the battle in which Lance Corporal Marks lost his life. While we cannot name them here, it is important today that we also acknowledge their injuries, suffered as a result of their service to the nation, and their loss of a fellow soldier and a mate.

The DEPUTY SPEAKER (Dr MJ Washer)—I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

Honourable members having stood in their places—

The DEPUTY SPEAKER—I thank the Committee.

Mr BUTLER (Port Adelaide) (7.13 pm)—I move:

That further proceedings be conducted in the House.

Question agreed to.

Hon. John Norman Button

Debate resumed from 13 May, on motion by Mr Albanese:

That the House record its deep regret at the death on 8 April 2008 of the Honourable John Norman Button, former Federal Minister and Senator for Victoria, and place on record its appreciation of his long and meritorious public service and tender its profound sympathy to his family in their bereavement.

Mr NEUMANN (Blair) (7.14 pm)—I rise today to pay my respects and to pay tribute to the Hon. John Norman Button. I do so because I think it is appropriate that someone from Ipswich should do so. Bill Hayden is a life member in a branch in my electorate and a personal friend and I thought it appropriate for someone to say something in parliament to pay tribute to John Button, who was a good friend of Bill and Dallas Hayden for many years.

The Hon. John Button was the Minister for Industry, Technology and Commerce from 1984 to 1993, the only member, as I understand it, of the Hawke-Keating government to serve in the same capacity for that period of time; the Minister for Industry and Commerce from 1983 to 1984; the Minister Assisting the Minister for Communications from 1983 to 1984; Leader of the Government in the Senate from 1983 to 1993; Leader of the Opposition in the Senate from 1980 to 1983; Deputy Leader of the Opposition in the Senate from 1977 to 1980; and a senator for Victoria from 1974 to 1993.

John Button was the son of a Presbyterian minister from Ballarat. Many great Labor politicians have been sons or daughters of ministers of religion; the number in the history of the Labor Party who have made a contribution to this parliament is quite extraordinary. He went to Geelong College and studied law at Melbourne university. It is interesting to note that he campaigned against the Menzies government referendum to ban the Communist Party. He was a great civil libertarian. After a brief sojourn to Europe, he joined the labour law firm of Maurice Blackburn and Co. and was a partner in that firm from 1959 to 1974.

He was a great Labor figure, small in stature but large in contribution. I have talked to Bill Hayden about John Button. Words like quixotic, loner, whimsical, intellectual, wit and grace came to Bill’s lips. John Button was a man of honesty and integrity. His long service to this parliament is evidence of his contribution.

It must have been lonely as a participant in the Victorian branch of the ALP, but he backed Gough Whitlam’s efforts during the 1960s to reform the dysfunctional Victorian branch,
which had made Labor almost unelectable because of its left-wing extremism. It was very happy and willing to argue over the spoils of defeat rather than the fruits of victory. That was best evident in 1969, when the Whitlam Labor Party won 18 seats to cut the coalition majority to seven, but in Victoria Labor picked up only three seats, leaving it with 11 out of 34. The federal takeover was necessary and acceptable to the party, and John Button should be thanked for the contribution he made which led to the victory of the Whitlam Labor Party in December 1972.

The Button car plan was extraordinary. His contribution, his great skill and courage in negotiating with the unions and business, was long and arduous and must be respected. It resulted in the reduction of tariffs, of import quotas and in the number of locally manufactured models, but it provided tremendous assistance to R&D and to retrenched workers. We would not have a car industry without John Button.

What he did is amazing, and I mentioned it before. As someone in the Queensland branch of the ALP, in what has often been described as a factional menage a trois—as a member of a minority group—I find it extraordinary that Button survived with a five per cent contribution to the Victorian branch of the ALP. My group, which is often derisively called the ‘old guard’ in Queensland, has about four times that and I know, as one of the leaders of that group, how difficult it is with the colossus of the big Left and Right unions. But Button managed to negotiate great deals. He was often hated by both the Left and Right, but he survived for a generation. The contribution he made is quite extraordinary. Paul Keating talked about this and said of John Button:

A lawyer who inhabited the centre ground of Victorian Labor politics, he was material in returning the pendulum of Labor politics from the left, where it had stuck fast for a quarter of a century, to the political centre.

In his prime, he was more or less despised by the left and the right. In the swing position, he played corner politics with cunning and elan.

It is quite extraordinary.

I want to pay tribute because my former role in life was as a partner of a law firm, and I know how much that helped me in coming into this parliament. Bill Hayden was a great friend of John Button, and John is often most remembered for a certain letter he wrote to Bill. He sent this to Bill in March 1983:

I have been consistently loyal to you in every major difficulty you have faced. I am still loyal to you as a person ... My ultimate loyalty, however, must be to the ALP.

The letter tipped the balance. Bill moved aside six days after that letter, and 4½ weeks later Bob Hawke became Prime Minister of this country.

I know, as someone who has lived in Ipswich all my life, how Bill’s failure to become the Prime Minister affected the people locally. I remember a great story that Bill told me once: someone came up to him and said, ‘Bill, the Labor Party did the dirty on you and I’m never going to vote Labor again,’ and Bill said, ‘If you don’t vote Labor, you won’t be voting for me at this election.’ But Bill and John went on to remain friends despite it all and worked together as Minister for Foreign Affairs and Minister for Industry and Commerce. Bill has paid tribute to John, the friendship and the contribution he made. It must have been hard to overcome the
disappointment and it must have been hard for John Button to write that letter, but Bill said years later about that letter and about what John did that day, ‘One cannot seriously quibble about the quality of a good friend who delivers bad personal news with honesty and courage and, I think, added grace.’

On behalf of my seat, Blair, on behalf of Bill and his wife, Dallas, and on behalf of the people of Ipswich, I pay tribute to John and the immense contribution he made. We have no hard feelings, John. We thank you for what you did for the people of Ipswich. We thank you for what you did for the people of Australia and the part that you played in the Whitlam resurgence, in the Hawke ascendancy and in the Keating victory. Thank you, John, on behalf of the people of Ipswich.

Mr BRENDAN O’CONNOR (Gorton)—Minister for Employment Participation) (7.21 pm)—I rise to place on the record my views of John Button, a great Labor minister and a great reformer, both in terms of what he did for industry policy in this country and what he did for the Australian Labor Party. I do not have a great deal of time, as I am on duty in the main chamber, but I wanted to express my gratitude to Senator John Button, who provided many of us in the Labor Party with a fantastic role model. It was not because he was in a particular faction, the independent faction, but it was because he was an independent thinker. He was willing to challenge the current construct, whether it was factions or an industry policy that was not assisting Australian workers and Australian business in the longer term. He was able to quite effectively, and like very few others, challenge the way we did things. Because of that inclination, that genius that he had, his mark was left in many areas, especially on the Australian Labor Party and the way in which it operated, particularly in Victoria, and on the way the Hawke-Keating period is now perceived.

Firstly, I will turn to the Victorian Labor Party. John Button was someone who we desperately needed. The branch of the Australian Labor Party in Victoria in the period in which he became active was a moribund, incestuous and dysfunctional outfit—and I do not think I am overstating things. He had the capacity to challenge the way people behaved and the strength to challenge people’s undemocratic approaches to preselection and the way policy was formulated. He was one of only a number who in the end contributed to the opening up and the democratisation of that particular branch. I think he was therefore in many ways responsible for the success that the party had in that state subsequent to his assistance in reform.

With respect to his role as a parliamentarian, he was of course Leader of the Government in the Senate, a remarkable leader of the Senate. He was the Minister for Industry and Commerce and he was renowned for his role in the area of industry, not just in the car industry but also in the steel industry. There are many thousands of workers and their families in Whyalla who could thank him for ensuring that the industry remained in that town. Many people now work for the car industry, an industry that is beset with constant challenge because of its highly competitive nature. They can thank John Button in his role as industry minister for providing the framework that allowed that industry to remain and to grow in this country. A lot more has to be done, and the industry constantly finds it has new challenges to confront and deal with. I do not think it is going too far to say that, without John Button as minister, that industry may not have survived and we may not have been talking about a car industry in today’s Australia.
He brought a strong intellect to everything he did. I had the great fortune of seeing him relatively recently at a function in my former electorate, in the town of Woodend, which is a fantastic town in central Victoria. I was to introduce him. I remember speaking to someone who was a little antagonistic. I turned quickly, as you do when you feel someone spying on you, and I saw John looking at the way I was handling the situation. He had a writer’s mind; he was an observer of human behaviour and of human nature. He gave an almost imperceptible nod to me as if to say: ‘You’re doing okay, son. Keep it up. You’re a fledgling politician but you’re doing okay.’ This was in my first term as the then member for Burke.

I got to speak to him about his role in the parliament, what he got out of it and what was important. People like him provide great guidance to new members of parliament. He certainly did that for me. As we now know, he was struck down with cancer, which was diagnosed only shortly before his death. It was quite a sudden and tragic end. I was aware of the fact that last year he had chaired an inquiry into workforce participation for the Victorian government, for the then minister Jacinta Allan. Before he fell ill, I was going to ask him about the inquiry and whether he could provide assistance to the Commonwealth. Of course, if he had been involved, it would have been our gain, because he did everything in public life to his fullest and he brought a great capacity and a great sense of purpose to it. He was not one for wasting time.

We could recall many anecdotes and witticisms, because he had such an extraordinarily good sense of humour. He saw that life has its absurd side and, when the moment struck him, he liked to shine a light upon those absurdities. In the end, I think he will be remembered for his bravery, his intellect and his capacity to think and not be swayed from doing the right thing. I therefore want to express for the record my appreciation to him and my condolences to his partner, Joan Grant, his sons, James and Nick, and his grandchildren, Harry, Lola and Otis.

Mr DREYFUS (Isaacs) (7.29 pm)—John Button was a very important figure in Victorian Labor politics and indeed on the national stage. It is a mark of John Button’s stature that the tributes to him flowed from leaders and former leaders of all major political parties and from people of all walks of life. All acknowledged his role in reforming the Australian economy. All acknowledged his commitment to the Australian manufacturing industry. Many of the tributes recounted his achievements through his life—and we have heard during the debate on this condolence motion that kind of acknowledgement.

Many people also referred to John Button’s personal qualities, like the former Leader of the Opposition in the Senate and minister in the Fraser government, Fred Chaney, who said that John Button brought ‘wit and grace’ to politics. We heard this tribute from the former Premier of Victoria, John Cain:

John Button was self-assured, never cocky, always modest and understated.

Michael Duffy, a former member of this House and a great friend and ministerial colleague of John Button, said that he had made a threefold contribution to Labor and to the country. He said:

Before politics John Button played a major role in reforming the party. During politics he was an outstanding minister whose structural reforms helped put the Australian economy on track. And finally, he was a good bloke.
I first met John Button in 1976, when he was a new senator. They were dark days for the Labor Party after the defeat of 1975. John had set up his first electoral office in Cheltenham, where my electorate of Isaacs now is. I was then a second-year law student. I went to him for advice, partly about my career and partly as to what role I might play in political life. Demonstrating the practicality that John Button always brought to advising people—and he had a great role in advising younger people, particularly in the Labor Party, for which he was known—the advice he gave to me was, rather than go into politics or pursue a job in a political office: ‘Finish your law degree.’ I fear that that advice might have delayed my arrival here for quite some time, because I did just that and indeed went on to practise law.

John Button’s qualities were qualities that all members of this Australian parliament might aspire to. I will leave it to others to record in detail his ministerial and parliamentary achievements, but his personal qualities, of which I have already spoken—his practicality and good humour, his sense of respect for the democracy and its institutions, the sense that he brought of involving young people in the political process and his humility in the sense that John Button never lost touch with ordinary Australians—were all qualities that all of us in this place would do well to aspire to.

John Button wrote very well. It is a great reflection of his ability to think clearly that he did write so well, and he saved much of his observation and writing for the time after he left parliament, when he wrote three books: *Flying the Kite: Travels of an Australian Politician* in 1994, *On the Loose* in 1996 and *As It Happened* in 1998. He wrote for the newspapers; he wrote for journals; he wrote on architecture, on art, on history and on politics. In those writings, after he left politics in 1993, he was able to demonstrate a freedom to express himself that perhaps was not available to him while he was a member of this parliament. I said before that John Button never lost touch. Indeed it is easy to do that in this place, as he commented, very soon after leaving the parliament, while writing in the *Sydney Morning Herald* in 1993.

Perhaps wearily after 19 years in this parliament, he wrote—and it is a passage that appeared later in his book *On the Loose*:

> I’ve never been entirely comfortable with the Canberra thing. For newcomers to national politics, the Sunday night flight to the capital is a date with destiny, a ticket to where it all happens.

> As time passes, things change. You present your ticket to the flight attendant with the heavy heart of an inmate returning to a lunatic asylum after weekend release.

That is of course John Button writing after he had left the parliament and he was, as I have suggested, perhaps demonstrating some weariness in the month immediately after he had left the parliament after 19 years. That weariness with the political process, if indeed that is what is reflected in the passage that I have just read, is not something that stayed with him, because John Button continued to participate, continued to write and continued to agitate in the political life of this country with tremendous vigour, continuing to put forward many of the ideas that he had put forward during his time here.

I cannot resist recounting at least one of the anecdotes from John Button’s life that have been much repeated in the speeches and tributes over the last month. It concerns his use of the nom de plume ‘Arthur Cartwright’. It is now known that John Button wrote to newspapers, ALP officials and even, on occasion, state and federal ministers using that nom de plume. It appears that, while using that nom de plume and often writing publicly to the same people to whom he himself using his own name had written, John Button had the freedom to say things
that he might not have been able to say in his own name. In one story about his use of the nom de plume Arthur Cartwright, it is said that he had written to an ALP state president in Victoria with whom he had been publicly arguing and that, at a meeting with this state party president, the state party president apparently said to him—and John Button was very proud of this—something along these lines: ‘John, I can put up with blokes like you; I know what you’re about. But wait till I get hold of that Arthur Cartwright!’ It is a mark of the type of man that John Button was that he continued to use the nom de plume in that way, providing him with considerable private amusement while also possibly serving a purpose as he conducted his debates and as he participated in discussion on the matters that he wanted to comment on.

John Button persisted with an adherence to the idea that politics matters. It was evident in all of the speeches he gave in this parliament that, for him, being a member of parliament was a high calling. He never lost faith. He never lost sight of the idea that through politics great things can be achieved. He was in that sense a true democrat. He never stopped expressing his adherence to the rule of law, to the importance of a free and independent media and to the importance of striving for the civil liberties of all people in Australia.

I say with some regret that one of the ideas that John Button spoke very passionately about in his first speech in the Senate in 1974 bears repeating because it is something that is still with us—that is, the difficulty that our nation has experienced in achieving constitutional change and in achieving change to the framework of government. John Button, in 1974, spoke of ‘the Constitution providing the framework of government in Australia’. He went on to say:

It is sometimes stated by Opposition spokesmen that in some peculiar way which has never been explained to my satisfaction, the existing federal structure in Australia provides a bulwark for the freedom of the individual. I have never heard any evidence for that assertion, and I look forward to hearing it in this chamber because whatever we do we must be sure that the democratic institutions and the framework of government in Australia reflect the aspirations of the Australian people and allow the members of this chamber and of the other chamber to act in a way which fulfils the aspirations of the Australian people …

I go on with a little more of the next passage, because it shows the lightness of touch that John Button was able to bring to weighty issues and, in so doing, make the point that much better. In his first speech, John Button went on to say:

I have sometimes heard Opposition senators speaking of the Australian Constitution with the reverence which an antique salesman sometimes displays when he is trying to sell an old chair. The point is always made that because of the age of the chair its value is so much greater. While that may apply to furniture it cannot apply to the framework of government in Australia …

John Button, as I have said, continued to write on the issues that concerned him. In particular, he wrote a sparkling essay published in the Quarterly Essay series in 2002. In it, he expressed very eloquently the importance of ideas in politics generally and the importance of ideas for the Australian Labor Party, of which I am proud to be a member. I will read just a couple of passages from this essay that John Button wrote in 2002, about ideas:

It’s worth remembering that the ALP has always done best in federal elections when it has set the political agenda, when it has involved its members as agents of change and enthused a wider section of the community with a sense of excitement and vision. A small target strategy does none of these things. It’s contrary to ALP sentiment and tradition, demoralising to the membership and boring for the electorate. And you can hear the vigour with which John Button was writing even in 2002. He further wrote:
Ideas are crucial to an ALP agenda. Ideas are about all the ALP has going for it and they are something which the coalition has never been good at. Some ideas and examples for the ALP will come from overseas, but history has shown that the best political ideas, the ones which have been successful for Labor, are those developed here in response to Australia’s particular circumstances. These particular circumstances include our position in the Asia-Pacific region, a highly urbanised population, multiculturalism, unique environmental challenges and our history, including the story of Aboriginal Australia.

And one can hear in that passage the clear-sightedness which John Button brought to the practice of politics. He never lost his passion for the Australian Labor Party. In that same essay he analysed the major political parties and finished with this:

Who among these parties is going to be able to build a better Australia? The Democrats and the Greens can’t do it. The Coalition won’t do it. The ALP remains the sole genuine avenue for political change.

Lastly, I would like to read a contribution to politics from John Button’s last major publication and some observations that he made about the importance of our institutions, particularly the Public Service, the judiciary and the media. John Button wrote:

A public service committed to the public good is a keeper of a country’s corporate memory. The best public servants know what has happened in the past, what has worked and what hasn’t. This can be a useful guide to the present and sometimes the future. It is an important part of a healthy democracy.

So too in different ways are an independent judiciary and institutions like the ABC, the universities and a diverse and critical media. Menzies understood this. Latter-day politicians have understood it less. Politicians should respect the integrity of these institutions.

I am in John Button’s debt for showing me that it is possible to achieve good results and real change through parliamentary work. All parliamentarians and all Australians are in his debt for the contributions he made and the example that he set. I extend my condolences to his family.

Mr MARLES (Corio) (7.47 pm)—In John Button, the Labor movement, and indeed our country, has lost one of its greatest figures. John Button was born in Ballarat in 1933. He went to school at Geelong College and from there went to Melbourne university. I followed much later in his footsteps, in a way, being educated in Geelong and also doing law at Melbourne university. John Button was a man who loved Labor governments. He passionately believed in what Labor governments did for our country and can do for our country. In the passages that we have just heard from the member for Isaacs, you get a sense of John Button’s passion and love of Labor governments. He was utterly committed to putting Labor governments into power.

But winning government is a very difficult endeavour. It is a hard thing to do and it requires difficult decisions. It is a measure of John Button and his significance that at the commencement of the Whitlam, Hawke and Keating governments he played a pivotal role in putting in place the architecture of the Labor Party which allowed those governments to ultimately occur. Many would say—indeed, I would say—that Gough Whitlam’s greatest achievement was to modernise the Australian Labor Party and put Labor in a position where it was finally electable after a long period in the wilderness. The coalface of that struggle of making the Australian Labor Party an electable party was occurring in Victoria, which was failing to recover from the split of 1955 and was being run by an authoritarian and very left-wing Victorian central executive.
John Button was a founding member of a group called ‘the Participants’, which was formed in 1965. The group was formed out of frustration at Labor being out of power for a long time and a commitment to try and put Labor back into power once again. The group saw that for that to occur the Victorian branch of the Labor Party needed to be reformed, so they campaigned for federal intervention and for the federal executive to involve itself in the affairs of the Victorian branch. That federal intervention ultimately occurred in 1970, very much at the behest of the then opposition leader, Gough Whitlam. It was a potent combination—Gough Whitlam on the one hand and the Participants, a local group of activists, on the other—and together they managed to change the Victorian branch of the Labor Party.

In what is a fantastic, unpublished book by Senator-elect David Feeney, which was written in 1996 after extensive interviews with all of the Participants, he came to the conclusion that the Participants themselves credited John Button with the idea of putting together the combination of Gough Whitlam on the one hand and the Participants on the other. It was John Button who led that move, and ultimately Gough Whitlam met with the Participants on numerous occasions and helped to bring about that federal intervention. In the aftermath, John Button was a key figure in reinvigorating the Victorian branch of the Labor Party, sitting on the then advisory council. The 1970 intervention into the Victorian Labor Party was a critical precondition for Labor winning government in 1972. It was very difficult work indeed and at the heart of it was John Button.

In 1974 John Button was then elected to the Senate and briefly participated in the Whitlam government. But nine years later, in 1983, John Button famously participated in another event which put in place the architecture that allowed the then Hawke-led opposition to win the 1983 election. It is an often quoted letter, particularly in the last few months, which put Bob Hawke, a very charismatic and popular leader at the time, in a position to contest the 1983 election. It must have been an acutely difficult letter for John Button to write and it has been quoted before but I intend to quote the passage again where he wrote to Bill Hayden, a close friend of his, and said:

I have been consistently loyal to you in every major difficulty you have faced. I am still loyal to you. My ultimate loyalty, however, must be to the ALP.

That quote says volumes about John Button’s attitude to loyalty but also his loyalty to the Australian Labor Party. I think it is with incredible generosity and grace that Bill Hayden ultimately said at John Button’s funeral that John was absolutely right on all of those points. It is a measure of John Button’s significance, as I said, that he was a critical player at the most important, pivotal moments in the lead-up to both the Whitlam government and the Hawke and Keating governments. He was a player in the background but he was a player who ultimately made the difference and allowed those governments to occur.

John Button did have his own time in the sun. As the industry minister of this country—and it has been put on record on numerous occasions in the last month—John Button was the longest serving minister in a single portfolio during the Hawke-Keating era. He is best remembered perhaps in that sense for the Button car plan, which again tackled a very difficult issue and made hard decisions but did so in an intelligent and sensitive way. Reducing tariffs, he made the car industry much more internationally competitive, but he did so on the basis of providing export focused industry policy. The need for our manufacturing sector to be export focused is as critical now as it was then. Indeed, that is absolutely the case in the car industry.
and it is absolutely the case in the car industry in my electorate of Corio, where last year we saw 600 employees lose their jobs in the Geelong engine stamping plant of Ford. That ultimately was a decision which flowed from a much earlier decision by Ford in Detroit not to export Australian made vehicles into the Middle East, but that stood as an example of how important export industries are to our manufacturing sector and, in particular, to our car industry.

I first met John Button in 1990. I enjoyed hearing the account from the member for Isaacs; it sounded very similar to my first meeting with John Button. I was writing a number of letters, not of any particular note, as a university student to a number of ministers in the then Hawke government. I wrote off a number of letters but one person replied and that was John Button. I ended up having a wonderful interview with him where I think I asked similar questions to the member for Isaacs about what my future might hold and how I ought best go about it. It was the kind of interview that I suspect he would not have remembered for long after it occurred, but of course it was an interview that I will never forget. That I am obviously not the only person to have had that experience says a lot about the generosity of the man and his generosity with his time.

I have another association with the Button family, through John’s son James. James Button and I had briefly overlapping careers at Melbourne university and I came to know him in that time through student politics. But I also knew James and, vicariously through James, John through a shared love that we all had of the Geelong Football Club. What I really remember—and it is a lesson that I have certainly carried on in my life—was a ritual that the two of them had. It may have involved Nick as well, I am not sure, but I came to know of it through James and so here I refer to James and John. Their ritual involved frequently going to watch the Geelong Football Club play throughout the winter months. They loved the club a lot, but the event also played a very significant role in their own relationship. They got to spend the day together—father and son—and whilst the principle focus was on watching the ‘Hoops’ run around the ground, no doubt they also shared stories about their week. It was a very important interaction in their lives, as John’s commitment of time to this place made family life difficult. John expressed that on numerous occasions since he left this place. Emerging from that period and having my own children—an 11-year-old son, a three-year-old daughter and an 11-month-old son—I am very keen that football and Geelong should be a part of the relationship that I have with them. Whilst Sam is very much on the road to being a Geelong supporter and understands it all, my daughter, Isabella, and my younger son, Harvey, will get there as well.

In 1995, while at the grand final that Geelong contested against Carlton, I read a fantastic piece in the Age written by James Button. I had got to the ground early, as you do on grand final day so that you can get a good seat. There was a lot of time to kill, but there was this fantastic feature piece in the Age written by James which described the trials and tribulations of barracking for what until recently has been a heartbreak team. He went through in detail the particular pain that Geelong Football Club supporters have suffered over the years. It was difficult to read that piece and not start crying, which indeed I did on that day after my anticipation of what I had expected to be a fantastic achievement. Aficionados of AFL history will know that I was to be very disappointed later in the day as Geelong got absolutely pumped.

I have since learnt that there was a ritual that James and John used to go through after each grand final where they would take a sheet of paper, write down on it each player on the list,
imagine them in peak form and injury free, and then fantasize about what that would mean for the following year and how Geelong might go. A very intelligent mind applying itself to the trials and tribulations of the Geelong Football Club needed venting and some form of expression, and John Button did that by writing to the coaches of Geelong as industry minister to suggest players who should be picked, others who should be delisted and where particular players should play. He tells a story, and there are a couple of versions of it. In 1989 a new coach came to Geelong, Malcolm Blight, who replied to John by talking about the new policies he was going to put in place at the club and then gently suggesting to John Button that he did not need his advice as industry minister because he would be able to coach the team on his own. The first version of that story involved John being confident about that assertion by the coach and his sense that this was a man who knew how to coach. So with some confidence he put his pen away and stopped offering that advice.

Last year was an incredible year for the Geelong Football Club. There was an enormous amount of emotion leading up to the grand final and it turned out to be an utterly extraordinary event. It is difficult to convey to people who do not support this team exactly what it meant. It bears some similarity to Collingwood’s 1990 victory, but Geelong’s particular geography and the whole town’s commitment made it even more emotional and even more special. On the Friday before the grand final, there appeared in the *Age* again a wonderful piece of writing by a Button about what it meant to barrack for Geelong. On this occasion it was John Button himself who was writing in the *Age*. He told the story again of sending those letters to the coaches of the Geelong Football Club and Malcolm Blight’s rebuff of those suggestions of his. He said—and this is a slightly different version to the first version that I heard of this; I suspect that John gave both versions:

He then gave me a cold stare. As coach, he said, he wouldn’t need any letters of advice from me. I thought this was churlish. I gave up writing letters in disgust. Disgruntled, I went underground and became caught up in a loose and semi-secret network, not unlike the People’s Liberation Front of Judea in Monty Python’s Life of Brian. It involved meetings in pubs and coffee bars and restaurants to discuss “the situation” of the club. Like the Liberation Front, our deliberations were mostly irrelevant to anything that actually happened.

Perhaps it was a good thing. In May last year, for example, I met with a co-evil in a Collins Street coffee shop. He turned up with a black notebook containing a list of Geelong players’ names. We reached agreement on those who should be delisted. Six of them are playing in tomorrow’s grand final.

They are a strange lot, the Cats Liberation Front, not beyond the fringe, but on it. There’s an actor who can keep a lunch table laughing for hours and becomes as serious as Hamlet when the football is discussed. Only last week another fringe dweller said he wanted to meet and discuss tactics before the final. This man, I thought, is deranged. But it’s catching, and I met him. I can’t help wondering if other teams have people like this. Or is it all a result of long suffering in the wilderness?

Geelong now is, of course, a strong club with healthy finances, a professional football department and a good player list. It’s the best Geelong team I can remember. It should win. There’ll be a bunch of cheering fringe dwellers there to watch it, unless someone locks us out.

That piece says everything about John Button’s wit, about his love of the Geelong Football Club, about his intelligence and about his wonderful ability to write.

I last saw John Button—and indeed the last time I saw James—at the grand final. John and James were sitting next to each other, father and son, participating in a ritual that they had done over decades and I was quite near them. On this occasion I was sitting with my son Sam.
It was an incredibly special day for me. It was an incredibly special day for the Buttons. I spoke with James afterwards and I spoke with John. His eyes were failing during the grand final—he did not see it all—but he absolutely understood what was going on.

My greatest joy on that day, amongst all the joys of Geelong winning that grand final, was experiencing it with my 11-year-old son. Without a doubt, James Button’s greatest joy, amongst all the emotions of Geelong winning a flag after 44 years, was being there with his father. Now looking back at it and seeing what has happened since, how significant and how wonderful it was that John Button got to see that event. But of course it ultimately was a prelude to a far more significant event that John Button got to see which occurred in November last year—Labor being elected to power once more. With all his passion for Labor governments it would have meant everything to John to see that, much more in fact even than to see Geelong winning the flag.

My thoughts very much go to John’s family—to Joan, to Nick and in particular to James, as I know James. There is unquestionably grief and sadness with John’s passing, but there must also be comfort that John left this earth with Labor back in government, with Geelong as the reigning premiers and with the knowledge that everything was right with the world.

The DEPUTY SPEAKER (Hon. AR Bevis)—I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places. 

Honourable members having stood in their places—

The DEPUTY SPEAKER—I thank the Committee.

Mr BUTLER (Port Adelaide) (8.04 pm)—I move:

That further proceedings be conducted in the House.

Question agreed to.

40TH ANNIVERSARY OF THE BATTLES OF FIRE SUPPORT BASES CORAL AND BALMORAL

Debate resumed from 13 May.

Mrs BRONWYN BISHOP (Mackellar) (8.04 pm)—On indulgence: in rising to speak on this matter, I do so in the sense that we have had a very successful reception given for those who fought in the battles of Coral and Balmoral. We have also had a very important commemorative service at the Vietnam Memorial for 3RAR as well as for Coral and Balmoral. There has been a general awakening of thought and the need to remember and put into context the fine service given by Australian soldiers fighting in the battles of Vietnam. We have heard how badly our men were treated when they came back from fighting in Vietnam and yet the intensity, malice and vitriol of those people who denigrated them and their families during the Vietnam War I think also need to be revisited to understand exactly what it was that those men and women went through. It is also important to put in context the battles of Coral and Balmoral as fire support bases and perhaps to revisit the Tet offensive of 1968 and Operation Thoan Thang (Complete Victory) from April to June of 1968, of which Coral and Balmoral were a part. The Tet offensive was the aspiration of the North Vietnamese to, in their terms, ‘liberate South Vietnam’ with uprisings all over South Vietnam, with the intention of winning the war.
Part of that Tet offensive was the battle of Hue, where an incredible massacre by the Viet Cong took place of the people who lived in Hue. Hue was a city where intellectuals lived and there was a real understanding of what democracy was about. I am most grateful to be one of many people reading *Vietnam, the Australian War* by Paul Ham, which puts into context and explains so many of the things that happened. Paul Ham wrote of that battle:

The massacre of some 6,000 inhabitants of Hue who were the educated citizens who were chosen for death by shooting, clubbing, bayoneting or being buried alive because they were educated and middle-class and they would not capitulate to the North Vietnamese.

Paul Ham’s book says:

The massacre fulfilled the letter of the Liberation Front directive of 2 December 1965 sent to regional and district commissars, party and political training schools and said in areas temporarily under enemy control, ‘We are to exterminate key and dangerous elements of such parties as the Vietnamese Nationalist Party.’

Sentiments perhaps reminiscent of Pol Pot and his killing fields, but the barbarity of the attack on the people of Hue was not reported in the Western press. They were much more interested in reporting against our troops and against our people. The stories that I have heard since, with people coming together, tell how wives living at Holsworthy would not be served by shopkeepers in Liverpool because their husbands were serving in Vietnam. Children were singled out for bullying in the playground because their father was serving in Vietnam. One story told of a soldier who had died of appalling wounds and whose parents were rung up by an anti-Vietnam demonstrator. Speaking to this person’s parents, they said, ‘He got what he deserved.’ Their home was then daubed with red paint. These are truly shameful incidents that occurred and have been pushed back in memory. But if we are truly to acknowledge the service and sacrifice of the men and women who served in Vietnam then we must revisit the malice and vitriol that was around at that time.

The Tet offensive was unsuccessful for the North Vietnamese. Something like 45,000 Vietcong lost their lives. But the TV coverage of the Tet offensive sent a message that preached against the actions of those opposed to North Vietnam and the Vietcong. The result was that President Johnson announced on 31 March 1968 that he would not seek re-election and that he would stop the bombing of North Vietnam and negotiate with Hanoi. General Westmoreland’s departure to the US was announced. He was being kicked upstairs, as the jargon went. Hanoi was buoyed by the failure of nerve, and the People’s Army troops poured into South Vietnam.

On 13 May, the communist leaders agreed to begin the so-called peace negotiations in Paris, which coincided with an escalation of the war. Hanoi saw the West’s weakness and they launched a mini Tet offensive. Contemporaneously with the announcement of peace talks was the beginning of Coral and Balmoral. Australia’s General Macdonald agreed to send two Australian battalions, the 1st and 3rd, to support the defence of Saigon. Lieutenant Colonel Phillip Bennett and Lieutenant Colonel Jim Shelton were the respective battalion commanders, two very esteemed gentlemen—soldiers; brave.

The Australians were under American command and were tasked to block enemy withdrawals and reinforcements from Saigon. They were to be dropped into country rife with enemy and were meant to lure the enemy into the open. ‘Surfers’ was the codename they gave to the area around Bin Hoa, which they further divided into areas called Bondi, Newport and
Manly. They had to establish a fire support patrol base, which they called Coral, named after an Australian officer’s girlfriend. The aim was to protect the weapons system and armoured operations in the area of operations.

On the night of 12 May, initial contact was made with the North Vietnamese army, who all day had been observing them being dropped in by helicopter. The North Vietnamese struck with full force at 3.30 pm, but the Australians’ training kicked in. I would like to read an extract from Paul Ham’s book. He says:

Both sides fought like threshing machines. ‘The enemy withdrew under devastating firepower and was severely mauled,’ said Bennett the next morning. The gunships and fighters, the bravery of the Australian mortar and artillerists and the effective operation of the 1st Battalion command post, notably the fire support control centre, had saved the base from being completely overrun. The ashen-faced Australian survivors rested amid the shambles, many in a state of shock. The wounded were airlifted to Vung Tau, and Staff Sergeant Terry Loftus packed the personal effects of the dead for dispatch to Australia. Somewhere in the jungle, hundreds of North Vietnamese soldiers dragged their comrades to makeshift field hospitals and the strange mournful utter of the battlefield subdued into birdless silence. On the earth before Coral lay hundreds of pairs of Ho Chi Minh sandals. Fifty-two North Vietnamese army bodies were recovered and buried in a mass grave.

Private Dick Nordon, whose action prompted Sir Rodon Cutler VC to remark quietly when decorating him, ‘I do not know what one has to do these days to win a Victoria Cross.’ He was caught in an ambush. Nordon had rushed forward under covering fire to retrieve two Australian wounded. His section commander and forward scout shot 20 metres ahead. As he ran, Nordon himself was wounded. He shot a Vietnamese soldier then, out of ammunition, grabbed the dead man’s rifle and continued firing until he reached his section commander, whom he dragged to safety. Nordon then raced forward again under fire and reached the now dead Australian scout, whose corpse the Vietcong rifleman was using as a shield. Nordon killed this soldier, returned to his section, ran forward a third time with grenades and cleared the area so that the scout’s body could be retrieved. Nordon single-handedly saved his section commander’s life and reversed the enemy’s advantage with complete disregard for his own safety.

The men who fought for Australia in Vietnam were proud, courageous and endowed with the Anzac spirit. Balmoral was the name given to the second fire support base in the Newport area near the village of Bingmei. It was another tethered goat strategy—that is, designed to lure the enemy out into the open. Lieutenant Jim Sheldon of the 3rd Battalion was chosen for this second base. He made two very important decisions: firstly, he welcomed Australian centurion tank support; and, secondly, instead of flying in his battalion for the North Vietnamese Army to observe, he sent them in quietly on foot. He also had an innovation that was called Sheldon’s Mortar Marauders. He had armed personnel carriers mounted with mortars, which did short tours around so they would think that was all they had.

The Australian destroyed at least fourteen bunker systems in the first encounter and they thought they had pretty well succeeded, but on the 28th of May the North Vietnamese Army returned to Balmoral.

Again, I read from Paul Ham’s book:

For fifteen minutes they mortared the base with frightful accuracy thanks to the courage of their nocturnal scouts, who crept up and captured the distance with lengths of string. Then in an exact replica of an early attack, only bigger, at least 800 North Vietnamese threw themselves on the tethered goat. As foolish as they were courageous, the attacks were suicidal, reminiscent of Japanese determined-to-die units. Perhaps the Vietnamese were drugged, some wounded. Those who reached the wire met a hail of canister and rifle fire and fell chiefly at the feet of Major Peter Phillips’ company, who withstood the brunt of both attacks for which Phillips’ leadership earned him a Military Cross. Some corpses hung on the wire until dawn.
An examination of the North Vietnamese bodies revealed that they were boys aged 15 to 17. The Australians were fighting an army of teenagers and the destruction of so many lives disturbed many Australian soldiers. 'To waste all that young manpower seemed to be criminal,' said Major Peter Phillips afterwards. 'It is a measure I guess of Hanoi’s skill that they were able to indoctrinate these young kids. I never saw the grey eminences who were directing them. We only saw the young kids."

It was a fearful war. It was a disgraceful reaction when the people of Australia let those men down. When the welcome home parade happened so many decades too late, some of the damage that we had done was rectified. We still owe those men and women a great apology. We owe them thanks for the courage and for wearing the uniform of which they were proud and of which I can say we must all be truly proud. They gave of themselves, as indeed any soldier has ever given in any war that this nation of ours has been involved in.

The battles of Coral and Balmoral are important to learn about and to know about, because they again give our young people and the coming generations more information about the sorts of things that they had to endure. But it needs always to be seen in context. It needs to be seen in the context that we, as a people, let them down at that time—as did the politicians of that time. Now we have an opportunity to make some of that up. Now we have the opportunity to do some things right that will help those people ease their pain. The scars that were left have been endured quietly by so many for so long. Perhaps having statements like these will help assuage the pain. We must never forget that they were fine, proud soldiers who served our country well.

Mr GRIFFIN (Bruce—Minister for Veterans’ Affairs) (8.20 pm)—I too stand tonight to acknowledge the courage and the service of those who fought and those who fought and died in the battles of fire support bases Coral and Balmoral. I note that the shadow minister for veterans’ affairs and also the Prime Minister went through quite a bit of the detail of what actually occurred in those events of some 40 years ago, so I will not go back over that detail on this occasion. I join with them in acknowledging the fact that these men brought great credit to their units, their mates and their country through their service at that time. As others have said—and it ought to be acknowledged yet again—it was in the very best spirit of the Anzacs over the last century and there is no doubt that they can proudly hold their heads high for the way they performed under fire so many years ago.

The shadow minister and others mentioned a bit of the history of the time. There is no doubt that, to an extent, that colours the memory of many of what occurred on the home front in the sixties and early seventies. It was a turbulent time. It was a time when Australia and America in particular were coping with the first televised war, and there is no doubt about it: neither country did their fighting men proud in the way in which they responded to the circumstances of that time. As I said earlier, these Australian men served their country in the very best spirit of the Anzac tradition and we owe them our respect and our gratitude. They were prepared to do what needed to be done at that time on the instructions of those whom they represented, the Australian people as represented by the governments of the day. In that they are as every other soldier has been in serving on behalf of our country over the last century.

When we bid farewell to troops today, to those going to Afghanistan, Iraq, East Timor or the Solomon Islands, we always honour their service and respect their performance. We know that they will do a great job for their country. As we farewell them they always go with our
blessing—as it should have been at the time of which I speak—and when they return it is with our blessing and our acknowledgement of their service. The reaction at the time of which I speak was unfortunate and disgraceful in many respects. I was 12 years old when the Australian commitment to Vietnam ended. I have seen some of the TV footage, but my memories extend not much further than that. But I know that what happened did cut to the quick many of those who served and that it is still an issue that they deal with even today.

Among the things that have been most important to me in my job as the Minister for Veterans’ Affairs and when previously serving as the shadow minister for veterans’ affairs—and I note the presence in the chamber of a former Minister for Veterans’ Affairs, Danna Vale, and the current shadow minister—are the personal stories of what people went through and their insights into the circumstances at that time. These stories have been told by people in conflicts from World War II right through to Vietnam and to Iraq and Afghanistan today.

Getting an insight into that personal experience has been very significant in gaining some understanding of what they went through. Having dealt with many veterans of Coral-Balmoral in the last couple of weeks, I have memories that I will treasure over the years—understanding individual acts of bravery, understanding the terrible loss felt by family members who lost loved ones and by comrades who lost mates, getting a sense of the small things, which in fact mean so much when one is under fire. I have never been in that situation; I do not think I ever will be. But I pay tribute to those who were. Over the last couple of weeks, it has been an immense privilege for me as minister to be a small part of what they have been going through, to share aspects of what they went through so long ago, to have a few beers and to hear them tell a few stories about each other in a very blokey fashion, as is the Australian way, but in a manner which shows their enduring respect for each other in a very digger-like fashion.

I think it has also been clear to many of them that what has occurred over the last week has been part of a healing experience. I have had individuals come to me and say: ‘This has taken 40 years. I haven’t been to a reunion in all that time, and this has been very special to me.’ I have had blokes come to me and say: ‘I wasn’t going to come. Bloody hell, I’m glad that I did.’ I have had people say to me, ‘The acknowledgements that we have received in recent times have’—as I think the shadow minister referred to—’been part of moving me along a journey towards coming to terms with aspects of what did take place so long ago.’

There was certainly a huge crowd at the reception in the Great Hall. I was talking to the secretary of my department several days beforehand, and he said, ‘I think we are going to need a bigger hall.’ I will not use the exact words I used in response, other than to say that I said: ‘I don’t think we have got one. You’d better open the foyer.’ It was a huge crowd, bigger than the crowd at the commemoration of Long Tan a couple of years ago. There were more people at Coral-Balmoral and there was also a higher acceptance rate. On that night, the diggers did themselves and their families proud in the way they conducted themselves. I got a real sense from the group that although it was, to an extent, a solemn occasion, at the same time it was also a very proud occasion. There were plenty of laughs and quite a few beers, and a good time was had in circumstances which I know for many of them were very tense. The next day at the Vietnam veterans memorial there was a more solemn service. Again, it was done with great dignity and with great respect, with the emphasis on those who had lost their lives so long ago.
I also had the honour of representing the government at the 102 Field Battery remembrance service at Duntroon. It was very quirky, and I have now learnt that is the way gunners tend to behave. Some excellent words were employed by the speakers, involving things like asking the younger artillerymen to tell the older artillerymen when guns went off, because it is the nature of artillery that you do not tend to know, particularly as years go by and hearing degrades.

I then had the honour of going to Townsville, attending the 1RAR dawn service at the barracks and the dinner that they had that night. Again, they were great occasions, quirky in their own way. It was certainly a great honour to share that time with them and to talk to some of the more recent diggers who have been serving our country overseas. It gave a real sense that this was cross-generational in terms of the circumstances of service, and that in itself was also special.

I shared some time with the shadow minister last Sunday at the 3RAR memorial service at the Vietnam vets memorial, where the focus was on Balmoral, in particular, and what occurred throughout their tour of duty. They had performed with honour on a number of occasions—in the Tet offensive, as was mentioned earlier, in Operation Pinnaroo, in Coral-Balmoral and in other engagements as well. As I mentioned earlier, the sense that I got was of men who had done their country proud but whose country had not recognised that to the extent that it should have in the years gone by. I certainly join with the shadow minister, as I have on previous occasions on these matters, in apologising for the way they were treated—as much as I can apologise in the circumstances for what occurred at a time before I served in this parliament. We have to ensure that this never occurs again to our fighting men and women. I have to say that I do not have much doubt about that. I think that the country took a long time to learn from what occurred back then, but I think it has learnt and I do not think we will ever see that situation again. I would certainly see it with dread.

I will end with some of the positive comments that I have been very pleased to receive on behalf of the parliament in a bipartisan fashion about what has occurred with these commemorations. I received an email recently from one of the key organisers, Garry Prendergast. I certainly want to congratulate him, Don Tait and the rest of the committee of veterans who organised what occurred, with the assistance of DVA. I am on the record saying this and I will say it again: organising Vietnam veterans is very much like herding cats. The fact that these guys did it without injuries I found quite amazing and to their credit. But, having spent a bit of time with these blokes, I can understand how they managed to do it. The email from Garry reads as follows:

G’day Allan,
Let me say again,
Your DVA Staff did a magnificent job in assisting our 40th Anniversary Committee and my Townsville team in particular to make the Anniversary week such a memorable event for all the diggers and their partners that attended. The feedback is terrific.
I really mean that.
Every one of your staff who were involved need to see that their efforts were important and very much appreciated.
From the people helping at the entrance to Parliament House and at the Memorial, to the publication editors/producers for the Booklet and the Invites, to the staff on the end of the DVA phone and all the
principal players like Bill Rolfe, Kerry, Richard, Ian, Susan, Kylie and Jim D plus Allison and Glenda in Townsville, they were so co-operative, helpful and diligent. I know they worked long hours at times and it showed in the quality of the results of their work.

I was especially pleased that you were able to come to Townsville and see the “1 Bn grunts” do our thing. I hope you enjoyed our unique Dawn Service and the Dinner function ... and I appreciated spending some of the time chatting with you.

Last but not least, thank you for the DVA financial support.

It was definitely needed.

PLEASE pass this around DVA for all to see.

Cheers ... Pepe.

Garry Prendergast

Co-Chair of the 40th Anniversary Committee.

To all those involved: congratulations on a job well done. I mean that with respect to those who organised these events on this occasion, be they veterans or DVA staff, but particularly all those involved in what happened so many years ago and who have been dealing with the issues that they came away with over the last 40 years. You brought credit upon your country then and you certainly brought credit upon your country over the last couple of weeks. It was a great honour and a privilege to spend some time with them at this very special time for them. As I also said in an email recently to a vet, ‘There are times when this job is a complete pain, but there is no doubt that events like this and the opportunity to spend time with veterans who have done our country proud is something that makes it all very much worth while.’

CIVIL AVIATION LEGISLATION AMENDMENT (1999 MONTREAL CONVENTION AND OTHER MEASURES) BILL 2008

Second Reading

Debate resumed from 20 March, on motion by Mr Albanese:

That this bill be now read a second time.

Mr TRUSS (Wide Bay—Leader of the Nationals) (8.34 pm)—The Civil Aviation Legislation Amendment (1999 Montreal Convention and Other Measures) Bill 2008 will modernise Australia’s arrangements for air carriers’ liability. It will do this by implementing the Convention for the Unification of Certain Rules for International Carriage by Air done at Montreal on 28 May 1999, known as the Montreal convention. The bill also makes some amendments to modernise and update various legislative provisions relating to the scope of carriers’ liability.

Under the Warsaw convention, carriers were not liable for the death or injury of a passenger or for damage to air cargo if they could prove that they took all necessary measures to avoid the loss. It also capped carriers’ liability at a rate which is now out of date, unreasonably low and set in a currency which no longer exists. Different parties to the Warsaw convention subsequently adopted a variety of amending instruments, resulting in a complex and confusing array of international arrangements for carrier liability.

The Montreal convention is designed to overhaul this system and eventually replace the Warsaw convention. It introduces a two-tier system of liability for death or injury. The first tier, for damages up to approximately A$190,000, is on the basis of no-fault liability and cannot be reduced except in the event of contributory negligence by the passenger. For the second
tier, for damages exceeding this threshold, the carrier is liable unless it can demonstrate that the damage was not due to its negligence or that of its agents.

Effectively, the Montreal convention increases the compensation limits for victims of air accidents. It also sets the monetary unit of compensation as the SDR, the special drawing right, of the IMF rather than the long abandoned gold standard and provides for the periodic review of compensation to take account of inflation. It will also enable Australians to bring legal action in Australia rather than in the country where the air accident occurred, and it modernises the list of family members who are entitled to seek compensation in the event of death in an air accident. The Montreal convention will also ease the burden on air shipping companies by removing the need for paper based waybills for air cargo and allowing them to use electronic means to keep track of shipments.

The Montreal convention was concluded in May 1999. It combines the various provisions of the previous Warsaw system arrangements into a single package. It entered into force in November 2003. The Department of Transport and Regional Services issued a discussion paper in January 2001 seeking input on whether or not Australia should accede to the Montreal convention.

The Montreal Convention Treaty was tabled in the Senate, along with a national interest analysis, on 4 August 2004. The Joint Standing Committee on Treaties published a report shortly thereafter which concluded that Australia should accede to the Montreal convention and that it would not have any detriment to Australia. The department of transport also issued a discussion paper in 2005 reviewing the Civil Aviation (Carriers’ Liability) Act in light of the decision by the Australian government to accede to the Montreal convention and proposing amendments to Australian law that would have had the same effect as the legislation currently proposed by the government.

Effectively, the previous coalition government had already decided to accede to the Montreal convention and this is the next step in amending the law in such a way as to put that accession into force. This legislation, therefore, is implementing a convention for which there is bipartisan support. It has gone through the proper processes of the parliament, including consideration by the Joint Standing Committee on Treaties, and it is therefore appropriate that it be brought here for the parliament to take this next step in implementation.

My office has discussed the content of this particular bill with the Australian aviation industry. Qantas and Virgin, our international carriers, have indicated their support. The domestic carriers are not opposed, but then again this legislation does not affect them as it involves only international carriers. It is clear that this convention enjoys the support not just of the industry but also of aviation customers in Australia.

It is not expected that the Australian air carriers would face higher costs, as most carriers operating in Australia voluntarily subject themselves to higher liability limits than those that currently apply under the Warsaw convention. Carriers, particularly the cargo freight industry, are also expected to benefit from the simplification of the documentation procedures which are provided for in this legislation.

The opposition is more than happy to support this legislation. As I indicated, it is a carry-over from work that had been begun by the previous government. I think it is high time that Australia became a full partner to this convention. Most of our OECD colleagues have al-
Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (8.40 pm)—I rise to speak this evening about why we need to pass the Civil Aviation Legislation Amendment (1999 Montreal Convention and Other Measures) Bill 2008. It is bipartisan, it is long overdue and it is about change. It is about problems with the old system and the solutions that are offered by this legislation. At the moment, international air travel is usually covered by the Warsaw convention and its amending protocols and treaties. There are two major problems with the Warsaw system. These problems highlight why the implementation of the Montreal convention is so important. The first problem goes to the core assumptions behind the Warsaw system: they are old and outdated. The Warsaw convention dates back to 1929, when the aviation industry had yet to take off as a viable alternative to road, rail and shipping. It was an era when the safety and reliability of air travel had yet to be proved. These were the days of great aviators such as Charles Kingsford Smith and Bert Hinkler and aviatrixes such as Amelia Earhart and Lores Bonney. This was a time of adventure, of testing and breaking records, not a time when aviation was a serious and trusted alternative to traditional modes of transport. Just two years before Warsaw was signed, Charles Lindbergh was the first pilot to fly nonstop from New York to Paris in his single seat, single engine monoplane the Spirit of St Louis.

The year 1928 saw a number of significant developments in terms of Australian aviation records. Bert Hinkler in February completed the first solo flight from England to Australia, arriving in Darwin after 15 days, two hours and 15 minutes. Charles Kingsford Smith in the Southern Cross flew across the Pacific from America to Australia. And 1928 also saw a modified Qantas aircraft, fitted with two stretchers, conduct the inaugural flight of the Royal Flying Doctor Service. The Warsaw convention was even before the days of airline hosts and hostesses. In May 1930, Boeing hired the first-ever airline hostess. These were the days of plywood covered fuselages and fabric covered surfaces. This was a long time before regular international air services reached Australian shores. It was not until the 1930s that Qantas began to move into international passenger services.

Back then, the thinking was that in order to encourage the industry to develop and flourish it needed protection from large compensation payouts. The industry could not have grown if airlines were bankrupted every time there was an accident. With this in mind, the drafters of the Warsaw convention put a cap on the amount of compensation that airlines had to pay. The trade-off for passengers has been that, although the amount of compensation is capped under Warsaw, liability is usually strict—that is, fault of the airlines does not have to be proved, making court cases a lot easier for victims. This cap, still in place today, has not been adjusted for inflation and has been set in franc Poincare, a currency that no longer exists. The franc Poincare was a unit of account used in the international regulation of liability and it was defined as 65.5 milligrams of gold, with a millesimal fineness of 0.900. It was identical in value to the French franc, although it has not been so since, and of course the franc has now been replaced by the euro. As I said, this is an old and outdated convention.

Australia signed the Warsaw convention on 12 October 1929, only two weeks before Black Thursday and the beginning of the stock market crash. These were times of great economic uncertainty and using a gold standard was a way of ensuring stability for the airline industry.
The liability cap under the Warsaw convention is 125,000 francs Poincare. There is legal uncertainty as to how this amount is converted to Australian dollars. However, the cap could be as low as A$16,000 to A$20,000.

A number of nation states have also implemented other supplementary arrangements in their domestic laws. As a result, there are significant variations in the law governing air carriers’ liability. This lack of uniformity means that relatives of passengers who are killed in the same aircraft accident may receive vastly different amounts of compensation.

In the year ended June 2007, 22,138,000 passengers travelled on international flights to or from Australia. Times have definitely changed from the 1920s, when there were fewer than 100 planes registered in Australia. Aviation now ranks among the safest travel modes. These days, if airlines go bust because they keep having accidents then perhaps that is not such a bad thing. That is not likely to happen in Australia in the light of our stringent safety regime and our system of compulsory non-voidable insurance. Nevertheless, the time has well and truly arrived for our liability arrangements to properly reflect the commercial and safety realities. And this is what the Montreal convention will do by making airlines potentially liable for every last dollar of damage caused to airline passengers.

The second problem with the Warsaw system is that it is extraordinarily complicated and confusing. The convention has been amended on a piecemeal basis over the years by a number of protocols and conventions. As well as the original 1929 agreement, there is the Hague protocol, the Guadalajara convention, the Guatemala City protocol, Montreal protocols Nos 1, 2, 3 and 4, plus a host of voluntary airline agreements that operate within the Warsaw framework.

Different countries have adopted different instruments, leading to a complex morass of interlocking agreements. All these different instruments bring variations not only to the liability caps but also to the different rules relating to the liability of codeshare partners. In which country may a victim seek a court case? How long does a victim have in which to bring a claim to court? Which defences are available to the airline?

Imagine, for a moment, an airline tragedy involving the crash of a wide-body jet, in which 400 people from around the globe perish. Each passenger could have booked through any one of a host of codeshare airlines and each passenger could have been ultimately travelling to a different final destination. Although the voluntary airline agreements may apply so that the liability caps are waived, these agreements do not deal with issues such as who can be sued, where they can be sued and how long people can wait before bringing an action, and they may not deal with which defences are available to the airline. As can be seen, vastly different compensation arrangements may apply to victims of the same accident. Not only is this system exceedingly complicated; it is simply unfair.

Korean Air Lines flight 007—also known as KAL-007—was a civilian airliner shot down by Soviet jet interceptors on 1 September 1983, north of Japan. A total of 269 passengers and crew, including US congressman Lawrence McDonald, were aboard KAL-007 when it went down in the Sakhalin Sea. There were no known survivors. A six-person jury decided that the KAL-007 crew was guilty of criminal negligence in deviating from the prescribed flight path. Such a decision, from a practical viewpoint, meant that the victims’ families could sue the South Korean company for any sum the courts agree to award them.
Pan Am flight 103 was Pan American World Airways’ third daily scheduled transatlantic flight from London’s Heathrow International Airport to New York’s JFK International Airport on Wednesday, 21 December 1988. The aircraft flying this route—a Boeing 747 named *Clipper Maid of the Seas*—was destroyed by a bomb. The remains landed in and around the town of Lockerbie, in southern Scotland, killing not only those on board but also people on the ground. Following the Pan Am 103 disaster, Pan American Airlines was found liable for wilful misconduct by failing to prevent a bomb from being smuggled aboard flight 103 and thus the victims were allowed to claim above the Warsaw limit.

The Warsaw system, with its limited liability, forced the families of the victims to seek compensation through a traumatic and unnecessarily lengthy trial process. Warsaw was about the protection of airlines from the risks inherent in the industry, but it was also a financial deal that allowed limited liability in exchange for a strict set of benefits. In the tragic circumstances of losing a family member in an airline accident, a family could get justice—not a lot of justice, but some.

The Montreal convention aims to be a fresh start. Implementation of the convention will make it easier for Australians to seek fair and timely compensation, representing a big step forward in passenger and consumer protection. It will also be good for business by cutting the time consuming paperwork that is currently associated with passenger and cargo transportation, clearing the way for modern electronic billing systems. There is international consensus that the convention represents a positive development. The Warsaw system will still operate in circumstances where countries have not implemented the Montreal convention, but hopefully this will soon become the exception rather than the rule. Our aviation partners are implementing the Montreal convention widely and rapidly. The convention was negotiated in 1999 and came into force on 4 November 2003, and already 86 countries are party to it.

There is a clear need to ensure that Australia is at the forefront of international agreements on civil aviation. This point hit home for me after a discussion with a home owner in my constituency, Sam Morton. On 9 September 2004, three Australians on a tourist flight in Zambia died in a tragic plane crash—Sam’s daughter, Justine Watters; her husband, Matt; and her mother-in-law, Shirley. The investigation conducted by the Zambian civil aviation authorities found the cause of the accident to be the loss in flight of the propeller due to failings in the maintenance of the plane. For us, as regular travellers over this vast country of ours, this is a scary thing to even contemplate.

The plane in question, a Cessna 210, registered in South Africa as ZS-KOX, was maintained by NelAir Engineering. Subsequent investigations by the South African Civil Aviation Authority found probable cause that NelAir Engineering was responsible for the crash. NelAir Engineering carried out a mandatory periodic inspection only 19 days before the accident. Through the South African CAA investigation, it was found that the cause of the accident was the in-flight detachment of the propeller from the aircraft as a result of: improper torque of the propeller studs; failure to wire lock the studs that allowed the studs to back out of the propeller hub assembly, resulting in the separation of the propeller; failure to follow correct propeller installation procedures; and failure to use identifiable manufacturer approved parts.

I am advised that NelAir Engineering’s air maintenance operator’s licence was suspended by the South African Civil Aviation Authority in November 2006, with cancellation to occur within 30 days and to remain effective until such time as any court challenge was heard and a
relevant decision made. I am not aware of any court action but I understand that the AMO licence was reissued to NelAir on or about 27 September 2007. The latest advice I have is that NelAir’s AMO licence has again been suspended with an intention to cancel the licence. The South African Director of Aviation, in the Department of Transport, advised the Australian High Commission that the department was seeking legal advice with a view to referring the crash to the Department of Justice to determine whether criminal charges could be laid. This process has been terribly disappointing to the loved ones of those who died in the accident. They know that nothing will bring them back, but someone should be held accountable and something needs to be done to ensure that an accident of this nature does not occur again.

While this is disappointing for the family who have so tragically lost family members, there have been changes made to ensure that our own practices are better in such situations. When the crash occurred, the Department of Foreign Affairs and Trade received notification of the accident and worked with the families involved to repatriate the bodies. What did not happen was communication between DFAT and the Australian Transport Safety Bureau. In fact, it was 12 months before ATSB became aware of the accident. ATSB investigators were not given the opportunity to assist the investigation carried out by Zambian and South African authorities. This incident highlighted the need for greater communication between Australian government agencies. DFAT’s consular services have now strengthened their relationship with ATSB and will in future ensure that communication occurs when consular officials become aware of a transport accident involving injuries to Australian citizens abroad.

I congratulate the Minister for Foreign Affairs on his department’s new policy of informing the Department of Infrastructure, Transport, Regional Development and Local Government, and in particular the ATSB, of all overseas accidents. The ATSB can then provide the families of victims with any information on the progress of an investigation, explain technical issues that may be confusing for the layperson and obtain a copy of the investigation report for the families at the earliest time after its release. This is not a difficult thing and I find it surprising that such a communication process was not already well established.

It is also surprising that it has taken so long to put the Montreal convention into practice in this country. It is essential that Australia implement the convention without further delay. It is also essential for us as a nation of travellers to ensure the rights of travellers are supported by our government and the department of foreign affairs. It is useless signing international treaties if we do not make them work. Australian families have been exposed to inadequate carriers’ liability arrangements for too long. Implementation of the Montreal convention is essential if they are to get a fair go after an airline tragedy. I commend the bill to the House.

Mrs MOYLAN (Pearce) (8.56 pm)—It is important for me also to speak on the Civil Aviation Legislation Amendment (1999 Montreal Convention and Other Measures) Bill 2008 because, like the member for Brand, the constituent and the other family members lived in my electorate. The progress we have made is, I think, very important.

Airline travel has become fast and a preferred mode of travel for people across the globe, with thousands of traffic movements every day in diverse parts of the world. Airline partners are a common feature of international travel, introducing complexities that were not foreseen in the past. Airline travel is considered safe, but accidents do happen. In the 1920s the Warsaw convention was established to ensure a secure future for the airline industry. The convention is superseded by the Montreal convention of 1999, which is designed to modernise arrange-
ments for the liability of international carriers with a uniform code for international air carrier liability.

There is no doubt that modern aviation has outgrown the old Warsaw convention, which had at its core the principle that carriers are not liable for the death or injury of a passenger, or for damage to air cargo, if they can prove that they took all necessary steps to avoid loss. In addition, it capped the liability rate, which was set in a currency no longer used in the modern world. Like so many of these conventions and legislative instruments, amendments flowed over the years, making the Warsaw convention clumsy and unworkable, with a confusing array of international arrangements.

The Montreal convention will overhaul the system of liability and damages that may flow and will eventually replace the Warsaw convention entirely. The Montreal convention is a two-tiered system of liability for death or injury. The first tier is for damages up to approximately A$190,000 based on no-fault liability and cannot be reduced except in the event of contributory negligence by the passenger. The second tier is for damages exceeding this threshold where the carrier is liable unless it can demonstrate that the damage was not due to its negligence or that of its agents. Effectively, this convention increases the compensation limits for victims of air accidents, sets the monetary unit of compensation as the special drawing rights of the International Monetary Fund rather than the long-abandoned gold standard and provides for the periodic review of compensation to take account of inflation. It will allow Australians to bring legal action in Australia rather than in the country where the accident occurred.

Most of the countries with which Australia shares major international air routes, including New Zealand, the United States, Europe and Japan, have already signed the Montreal convention. Qantas and Virgin airlines have both indicated their support for the legislation. The Howard government conducted appropriate rounds of consultations with relevant parties, and a uniformly positive response was received. It appears that Australian airline carriers will not face higher costs as they already subject themselves to a higher liability limit than those that currently exist under the Warsaw convention.

It is anticipated that the cargo and freight industry will benefit, though, from simplified documentation procedures. On that basis, the previous government had proposed that Australia should agree to the Montreal protocol, and the Joint Standing Committee on Treaties supported that decision in a report in 2005. In these times of fast global travel it is important that we have strong protocols dealing with adverse events. In the event of a serious air accident resulting in passenger deaths, grieving relatives and friends should not have to be dragged through protracted legal proceedings across a multitude of international boundaries.

Of course, that brings me to the issue confronting my constituent. It is very fresh in my mind, although this matter has gone on for several years. I have been assisting my constituent, Mr Sam Morton, who lost three family members in an air crash in Zambia. In the crash, Mr Morton and his wife lost their daughter, Justine; her husband, Matt; and Matt’s mother. The tragedy has had a devastating impact on the families. The trauma has been added to by long, protracted investigations. That process has been arduous indeed for Sam Morton, who, from the time of the crash, not only undertook to retrieve the bodies of his own family members but as well attended the arrangements for British and Canadian families who also had lost their loved ones in the crash.
Determined to leave no stone unturned to get to the bottom of what caused the crash, Mr Morton has pursued the case relentlessly, seeking answers from not only our own authorities but also the Zambian and South African authorities, and has frequently travelled at his own expense to these countries to try to progress those investigations. Mindful of the grief of all the families as well as his own personal grief, as I said, Sam Morton has constantly liaised with the other families and travelled numerous times to the African continent to do all that he can to make sure that others do not have to suffer due to negligence.

The member for Brand has clearly detailed the crash investigations, and I do not therefore propose to prolong my contribution by going over the same ground. Needless to say, the report makes for sobering reading. However, I do want to acknowledge the contribution of the Australian high commission staff and the high commissioner to South Africa, Philip Green, who, when Mr Morton encountered many roadblocks, did everything possible to clear the way and assist Mr Morton to take his well-founded concerns to the South African authorities.

Travelling to South Africa as leader of the Inter-Parliamentary Union delegation in 2006, I had great assistance from the high commissioner, Mr Green, and his staff, as they facilitated meetings with members of the South African parliament for me and other members of our delegation as well as a phone hook-up for me to speak to the adviser to the South African transport minister. This gave me a chance to raise firsthand the issues on behalf of Mr Morton. Despite the crash taking place in 2004, Mr Morton and the other families still do not have closure on this matter. Discussions with the South African authorities continue, and we hope that for the families affected by this disaster a satisfactory conclusion is reached sooner rather than later.

This case has resulted in some procedural changes between DFAT and the Australian Transport Safety Bureau, which is welcome, and I acknowledge the assistance and responsiveness of staff in both agencies. Through Mr Morton’s representations to me and to the member for Brand, the department has initiated an effective line of communication with the ATSB, and I thank both the former Minister for Foreign Affairs, the member for Mayo, and the current Minister for Foreign Affairs for facilitating those changes. This will result in far better communication in future with families faced with these kinds of circumstances. We can thank also Mr Morton for his determination to ensure that other families do not have their grief added to by unnecessary complexities. Given the fast pace of change and the growing global movement of people and freight, I am pleased to be supporting this bill. It is important that parliaments be responsive to the need for change and to ensure that compensation available to injured passengers is equitable.

Mr PERRETT (Moreton) (9.05 pm)—I rise to speak in support of the Civil Aviation Legislation Amendment (1999 Montreal Convention and Other Measures) Bill 2008. This bill is important because it is about offering greater protection for Australians travelling abroad. The Montreal Convention for the Unification of Certain Rules for International Carriage by Air deals with international air carrier liability for the carriage of passengers, baggage and cargo. It spells out an air carrier’s liability for injury or death of a passenger. My next-door neighbour, an in-flight services manager for an airline, says that it does happen, that deaths do occur not infrequently. Often he or she—I do not want to name him or her—has had to counsel flight attendants and it is a very traumatic experience when it does happen. It is easy to talk about it here, but the reality is that deaths do occur. Obviously with an ageing population,
a wealthy population, and with baby boomers more of us will be flying. While there are requirements about having medical certificates to fly, obviously every now and then people get it wrong and deaths occur. This is a very timely piece of legislation. As I said, it spells out an air carrier’s liability for the injury or death of a passenger, the loss or damage of luggage and damages caused by arrival delays which occur in the course of international travel.

The convention was agreed to on 28 May 1999. I asked one of my youngest staff members if they could remember that date. The years blur a bit for me. I am in my 40s, but a younger member could definitely remember May 1999 because it was Kylie Minogue’s 31st birthday—my staffer was still in school. I think Kylie Minogue will be 40 tomorrow. That gives you an idea of when this convention was first agreed to. Happy birthday to Kylie Minogue from Parliament House here in Canberra and a special thank you from me for those gold hotpants!

What else was going on back in 1999? Take your mind back. The average city retail price for unleaded petrol was 80.4c per litre. It is great to be able to mention the word ‘petrol’ and not have a chorus of voices in this House at the moment. The average price for a house was $200,000. The housing interest rate was 6.5 per cent and the size of the average home loan was $136,500. Back in May 1999, Britney Spears had just released her debut album. The title track was ‘Hit me baby one more time.’ At that time she had no babies under her control and it is much the same now, as it turns out. In 1999, The Matrix had just hit the cinemas and there were no sequels to The Matrix movie at the time. Back in 1999, John Howard’s approval rating on 28 May 1999 was at 42 per cent, which is 30 per cent more than that of the current Leader of the Opposition.

Back to the more mundane matters to do with flight: the Montreal convention was agreed to on 28 May 1999 and came into effect on 4 November 2003. I point out that there was a fair gap between when it was actually agreed to and when it came into effect. So far, 86 countries have signed and ratified the Montreal convention. To pluck a couple of names out of the air, Bolivia, Tonga, Namibia, Estonia and Botswana—none of these countries, though wonderful in their own way, are OECD countries. Nevertheless, all of them managed to ratify the Montreal convention.

You may be wondering why it has taken so long to be enacted by the Australian government. Since 1999, the coalition had nine years to sign and ratify the Montreal convention, yet they failed to do so. 28 May 1999 is a very long time ago. So while other countries moved swiftly to enact the laws, the coalition government sat on their hands. They simply could not be bothered. They did not care about Australian international travellers. Like their stubborn refusal to ratify Kyoto, here we have another example of the former coalition government being slow to act to advance international laws. They were not able to look beyond our shores. In fact, with the passing of this bill, Australia will be the last OECD country to sign and ratify the Montreal convention.

On that note, I will just take this moment to thank Minister Albanese for moving so swiftly to bring this bill before the parliament. The Montreal convention replaces rather than amends the complicated and outdated Warsaw system of carriers’ liability. The Warsaw convention became law in 1929, in an era when air travel was just taking off, so to speak. I am sorry, Deputy Speaker; I do apologise for that pun. I do not think it ever got off the ground. In fact, I think that pun might have crashed. Nonetheless, the Warsaw system, with its origins in 1929,
before jet engines were even invented, is written in archaic language. It measures compensation in the gold franc Poincare, a currency that no longer exists, and offers very low compensation to victims and their families, sometimes as low as $16,000. Obviously this is manifestly inadequate in 2008, in this millennium. Compensation for damaged luggage could be as low as $30. For anyone who has been in an international airport, $30 barely buys you a milkshake and a sandwich in most airports. But it gets worse. In some circumstances, under the Warsaw convention, the amount of compensation is limited to a cap that was set two weeks before the great crash. Of course, I am talking about the Wall Street crash, not a plane crash.

It is therefore essential that the Rudd government modernise these arrangements to ensure that equitable compensation is available to injured passengers or passengers that have incurred damage. It is essential work for a government that believes in the future. It is essential work for a government committed to the new millennium. We believe that our world has changed quite a bit since 1929. The Warsaw system has also become unwieldy through many additional instruments such as the Hague protocol from 1955, the Guadalajara convention of 1961, the Guatemala City protocol of 1971, the 1975 additional Montreal protocols Nos 1 to 3 and Montreal protocol No. 4. These were introduced in an effort to modernise the laws regarding the international carriage of cargo.

Today, international jet travel is booming and we need fair and workable laws in place to protect consumers. The Montreal convention provides this protection for Australians travelling overseas. It does this by removing the cap on carrier liability and introducing a much fairer two-tier system. For damages up to a threshold of 100,000 special drawing rights, which is equivalent—as you well know, Deputy Speaker—to around $170,000 in today’s terms, passengers will not have to prove fault on the part of the airline. That is, it makes it a much easier process for the consumer, for the poor traveller who has suffered at the hands of a carrier. So, instead of adding insult to injury, this new Montreal initiative pours oil on troubled waters. On the other hand, for damages greater than the 100,000 special drawing rights threshold, the onus will be on the airline to prove that they were not at fault. As I am sure you well know, Deputy Speaker, special drawing rights are a unit of currency used by the International Monetary Fund, based on a basket of international currencies. The new compensation thresholds will ensure that victims and their families are now fairly compensated for injury, death or loss.

I have heard some argue that this bill will lead to greater travel costs for consumers. However, as many international airlines have already voluntarily begun operating under more generous liability arrangements, this bill is not expected to increase travel or insurance costs.

This bill is also good for modern families. The bill expands which relatives are able to claim damages in the event of a passenger death. The list now includes stepsiblings and wards of the passenger. The Montreal convention may also be applied to domestic air travel. However, as our domestic scheme is working so well, as mentioned by the member for Brand, the government has decided to keep the existing arrangement covered under part IV of the Civil Aviation (Carriers’ Liability) Act. The legislation is complemented by state government legislation to create a national, uniform liability framework for domestic air travel.

Finally, I am pleased that the passing of this bill will strengthen Australia’s standing as a leading aviation nation. Certainly, coming from Queensland, I know that the state of Queensland is particularly committed to aviation and, having an airport in my electorate, I am par-
ticularly interested in it as well. So we will join the 86 other countries as a signatory to the Montreal convention. We will catch up with the protections afforded the good citizens of places like Bolivia, Tonga, Namibia, Estonia and Botswana and, in doing so, we will ensure greater protection for Australia’s international travellers. I commend the bill to the House.

Dr JENSEN (Tangney) (9.15 pm)—I am afraid that my speech will be nowhere near as ‘punny’ as the member for Moreton’s. I am pleased to speak in support of the Civil Aviation Legislation Amendment (1999 Montreal Convention and Other Measures) Bill 2008, the intention of which is to modernise and consolidate the raft of inconsistencies and variations which currently prevail under the Warsaw convention—which was negotiated, as the member for Moreton mentioned, in the early years of aviation and came into force in 1929—and other subsequent conventions. My colleague the Hon. Warren Truss MP, the shadow minister for transport, has already underlined the principal reasons why the coalition is supporting the bill. I shall add my observations on this welcome legislation.

With this bill the government has put the finishing touches to all the former government’s preparatory work and genuine consultation that preceded it. We on our side of the House have a natural reservation when it comes to conventions and treaties, and we wish to ensure first and foremost that they benefit the Australian people and would have their support. Some international agreements are signed mainly to express support or make a symbolic gesture. On the other hand, this legislation will have a definitive concrete benefit for those Australians flying overseas. I understand that something like two million overseas trips are made each year by Australian air passengers, and this will no doubt continue to increase. Therefore, the number of people this legislation could affect is quite significant.

Judging by the information that has been provided on this bill, there appear to be many benefits for Australia and few, if any, negative effects, which should always be the main consideration when deciding whether or not to support such legislation. From my understanding, the situation as it currently stands is not acceptable. There are a patchwork of conventions, rules, protocols and practices which, in many cases, lead to lack of certainty about precisely what the responsibilities and liabilities are for international air carriers. Also, there is the prospect of those injured, killed or in other ways affected by events connected to international air travel, such as lost luggage, having to launch costly and protracted legal action against large companies. This legislation should provide certainty for carriers, passengers and regulators as to precisely what the rules are pertaining to loss and injury and ensure a more simplified, user-friendly system for resolution of such cases.

The first problem with the current situation is related to certainty and ease of access to damages on the part of victims of accidents or other unfortunate circumstances. There is a two-tier system of liability proposed for death and injury. Of course, we in Australia are familiar with this sort of system. Many states have had a similar system in workers compensation for years. The first tier is a no-fault area, where no proof of negligence or error need be proved but where there is a legislated cap on the amount which can be awarded. This threshold is most important when assessing whether the ultimate result will be increased costs to the carriers, which would of course be passed on to the travelling public. The threshold must be high enough to provide fair compensation and to limit the number of instances which need resolution in the courts and low enough to ensure that carriers do not face increased insurance premiums. The second tier would only be available when loss or damage was incurred solely

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due to negligence or a wrongful act on behalf of the carrier, its servants, its agents or a third party. I believe that this is an eminently sensible resolution of the thorny problem of liability, damages and legal proof.

The second problem was a farrago of regulation combining the remnants of the Warsaw system, which in itself permitted higher limits of liability with other arrangements; therefore, there was no consistency. There was dissatisfaction with the low liability limits set by the Warsaw convention and The Hague protocol and with the inability of the international community to agree on higher ones, which often led to various measures to get around those limits.

Another cause of confusion was the reliance on a provision of the Warsaw convention that permits a carrier and passenger to agree by special contract to a higher limit of liability. Many carriers agreed among themselves to apply an increased liability limit or to waive liability limits. To this end, private agreements and voluntary arrangements among air carriers were developed, notably within the International Air Transport Association, IATA. Japanese airlines also abandoned liability limits. Some countries took action in relation to their own airlines. For example, Australia imposed higher liability limits on Australian carriers, although its obligation under the Warsaw system prevented it from opposing the same limits on foreign carriers.

Another cause of complication was the fact that different Warsaw parties adopting differing amending instruments resulted in a complex array of international arrangements. For example, Australia is a party to the Warsaw convention as amended by The Hague protocol, the Guadalajara convention and Montreal protocol No. 4. Indonesia is a party to the Warsaw convention as amended by the Guadalajara convention. Having had a tooth taken out last week does not help with pronouncing some of these words, I can tell you. If an accident occurs on a flight for which Australia is the country of departure and Indonesia is the country of destination, the applicable international law is the Warsaw convention as amended by the Guadalajara convention, the liability limits being those in the Warsaw convention. However, if Australia is the country of departure and France is the country of destination, the applicable international law is the Warsaw convention as amended by The Hague protocol and the Guadalajara convention, the liabilities being those of The Hague protocol. These are the instruments to which both France and Australia are parties.

In Australia, there was further relevant legislation. In addition to the Civil Aviation (Carriers’ Liability) Act, a voluntary industry code, being the Code for the Preparation of Airline Family Assistance Plans, sets out the minimum standards for airlines operating to and from Australia in giving assistance to victims and the families of victims in the event of a major civil aircraft accident involving loss of life or serious injury. It should be noted that the provisions of the carriers liability act applying to a non-Montreal convention international flight—that is, between Australia and a country that is not a party to the Montreal convention—would remain unchanged. The provisions of the act applying to domestic flights would also remain unchanged.

That was an unworkable nightmare which had to be rationalised and put on a firm logical and legal footing. I do not agree that Australia should blindly follow other countries simply because that is what Europe or the United States is doing. However, in this case the policy is
correct and it would help untangle an almost impenetrable and unworkable maze of regulations and laws.

Another complication under the existing system is that of jurisdiction. Under the pre-Montreal convention Warsaw system, claims for damages can be heard in one of four jurisdictions: a court in the state where the carrier is ordinarily resident; a court in the state where the carrier has its principal place of business; a court in the state where the carrier has an establishment by which the ticket was purchased or contract was made; and, finally, a court in the state of the passenger’s destination.

Article 33 of the Montreal convention provides for a ‘fifth jurisdiction’. It allows an action for damages for the death or injury of a passenger to be brought in the country where the passenger had his or her principal and permanent residence at the time of the accident, if it is a country to or from which the carrier operates and where it has premises. This would give most Australian citizens access to Australian courts to pursue claims in relation to flights to which the Montreal convention applies.

There are other areas which have been modernised and improved to the benefit of the flying public. Under the Warsaw convention the limits of damages were expressed in terms of the somewhat esoteric and arcane Poincare gold franc, which was linked to the gold standard. This standard has now been abandoned and establishing the monetary value of a claim has been somewhat of a raffle, with courts in different countries adopting different approaches to determining the exchange rate. We now have one uniformly agreed unit—the SDR, or special drawing right. One SDR is roughly the equivalent of A$1.72. Put simply, tier 1 claims can be up to 100,000 SDRs, or about A$172,000. Every other member country can translate SDRs into their own currency, but it is clear to everyone what the limit is. Another significant improvement is to widen the definition of family to include, for example, partners, a de facto spouse, wards, grandchildren, grandparents, step- and half-brothers and step- and half-sisters, and guardians.

Travellers will by now be familiar with electronic documentation. This is already being widely used by the aviation industry for both passenger ticketing and cargo movement, but it does not meet the requirements of the Warsaw convention. The Montreal convention provides for simplified documentation. It eliminates the need for cargo consignors to complete detailed paper based air waybills and so allows simplified electronic records to be used. As long as the passenger or consignee has adequate evidence of the contract and provided it is in a form that meets the requirements of border control agencies, there is no reason why documentation should not be electronic.

Usually the first question asked when changes are proposed is: what will they cost? There are minimal financial implications for the Australian government from the bill. There are no ongoing administrative costs. Where the Commonwealth is the operator of an aircraft, liability, in the event of an accident, for the death or injury of a passenger may be higher under the Montreal convention than it would be under existing international obligations. Adoption of the Montreal convention provisions is not expected to increase insurance premiums for Australian international carriers or foreign international carriers. Apart from the effect of the intercarrier agreements, insurers, in setting premiums for carriers that operate into the USA, already factor in the possibility of US courts deciding that the carrier or its agents have engaged in wilful misconduct and that liability limits therefore do not apply. Carriers and con-
sumers will also benefit from the fact that the Montreal convention expresses liability limits in SDRs. This removes existing uncertainty about the values to be applied resulting from disagreement on the way in which the obsolete gold franc amounts in the Warsaw system instruments are to be converted.

The other important question is how the legislation and regulations will operate. As any regulations will be a disallowable instrument, parliament will maintain oversight. Article 24 of the convention provides for five-yearly reviews of liability limits to account for inflation. As regulation changes can be disallowed, this will ensure that parliament retains oversight of such amendments. At the same time, having such a facility will allow the government to bring amendments into force more quickly than through primary legislation, allowing continuing consumer protection in line with international practice.

In summary, this is an excellent and much-awaited improvement to the legal framework in which international airlines operate. As of February 2008, Australia will be joining 86 state parties to the convention, including Australia’s key aviation partners, such as the United States, New Zealand, Canada, Japan, the United Arab Emirates and the European Community and its member countries. I welcome this legislation and encourage members to support it.

Debate (on motion by Mr Marles) adjourned.

Main Committee adjourned at 9.30 pm
QUESTIONS IN WRITING

Finance and Deregulation: Staffing
(Question No. 9)

Mr Pearce asked the Minister representing the Special Minister of State, in writing, on 11 March 2008:
How many departmental staff (including permanent, temporary and casual staff) work in the Minister’s Parliament House office, and that of any other Minister and Parliamentary Secretary associated with the Minister’s portfolio; and what is their length of service in the office.

Mr Tanner—The Special Minister of State has supplied the following answer to the honourable member’s question:
Please refer to the response to Question in Writing No. 15 asked of the Minister for Finance and Deregulation.

Finance and Deregulation: Staffing
(Question No. 15)

Mr Pearce asked the Minister for Finance and Deregulation, in writing, on 11 March 2008:
How many departmental staff (including permanent, temporary and casual staff) work in the Minister’s Parliament House office, and that of any other Minister and Parliamentary Secretary associated with the Minister’s portfolio; and what is their length of service in the office.

Mr Tanner—The answer to the honourable member’s question is as follows:
As of 11 March 2008, the Department of Finance and Deregulation employs two Departmental Liaison Officers (DLOs) in the Ministerial Parliament House office for the Minister for Finance and Deregulation and one DLO in the Ministerial Parliament House office for the Special Minister of State. All positions are on a full-time basis.
The lengths of service of the DLOs in the Ministerial offices are:
• for the Minister for Finance and Deregulation, 5 December and 6 December 2007 to current; and
• for the Special Minister of State, 3 December 2007 to current.