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SITTING DAYS—2008

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- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—SECOND PERIOD

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

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

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

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

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

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

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

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<td>Vamvakou, Maria</td>
<td>Calwell, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
</tbody>
</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
</tbody>
</table>

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

[The above ministers constitute the cabinet]
**RUDY MINISTRY—continued**

<table>
<thead>
<tr>
<th>Position and Portfolio</th>
<th>MP Name</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Home Affairs</td>
<td>Hon. Bob Debus MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Minister for Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
<td>ALP</td>
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<tr>
<td>Parliamentary Secretary for Defence Procurement</td>
<td>Hon. Greg Combet AM, MP</td>
<td>ALP</td>
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<tr>
<td>Parliamentary Secretary for Defence Support</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
<td>ALP</td>
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<tr>
<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
<td>ALP</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>Hon. Bill Shorten MP</td>
<td>ALP</td>
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<tr>
<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Anthony Byrne MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Trade</td>
<td>Hon. John Murphy MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>Senator Hon. Jan McLucas</td>
<td>ALP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
<td>ALP</td>
</tr>
<tr>
<td>Role</td>
<td>Member</td>
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<td>----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Leader of the Opposition</td>
<td>Hon. Brendan Nelson MP</td>
<td></td>
</tr>
<tr>
<td>Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations</td>
<td>Hon. Julie Bishop MP</td>
<td></td>
</tr>
<tr>
<td>Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government</td>
<td>Hon. Warren Truss MP</td>
<td></td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for Defence</td>
<td>Senator Hon. Nick Minchin</td>
<td></td>
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<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Eric Abetz</td>
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</tr>
<tr>
<td>Shadow Treasurer</td>
<td>Hon. Malcolm Turnbull MP</td>
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<tr>
<td>Manager of Opposition Business in the House and Shadow Minister for Health and Ageing</td>
<td>Hon. Joe Hockey MP</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs</td>
<td>Hon. Andrew Robb MP</td>
<td></td>
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<tr>
<td>Shadow Minister for Trade</td>
<td>Hon. Ian Macfarlane MP</td>
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<tr>
<td>Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector</td>
<td>Hon. Tony Abbott MP</td>
<td></td>
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<tr>
<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator Hon. Nigel Scullion</td>
<td></td>
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<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator Hon. Helen Coonan</td>
<td></td>
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<tr>
<td>Shadow Minister for Education, Apprenticeships and Training</td>
<td>Hon. Tony Smith MP</td>
<td></td>
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<tr>
<td>Shadow Minister for Climate Change, Environment and Urban Water</td>
<td>Hon. Greg Hunt MP</td>
<td></td>
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<tr>
<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
<td>Hon. Peter Dutton MP</td>
<td></td>
</tr>
<tr>
<td>Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship</td>
<td>Senator Hon. Chris Ellison</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Broadband, Communications and the Digital Economy</td>
<td>Hon. Bruce Billson MP</td>
<td></td>
</tr>
<tr>
<td>Shadow Attorney-General</td>
<td>Senator Hon. George Brandis</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Resources and Energy and Shadow Minister for Tourism</td>
<td>Senator Hon. David Johnston</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Regional Development, Water Security</td>
<td>Hon. John Cobb MP</td>
<td></td>
</tr>
</tbody>
</table>

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship
Hon. Chris Pyne MP

Shadow Special Minister of State
Senator Hon. Michael Ronaldson

Shadow Minister for Small Business, the Service Economy and Tourism
Steven Ciobo MP

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

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

Shadow Minister for Ageing
Margaret May MP

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

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

Shadow Minister for Veterans’ Affairs
Hon. Bronwyn Bishop MP

Shadow Minister for Employment Participation and Apprenticeships and Training
Andrew Southcott MP

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

Shadow Minister for Youth and Sport
Hon. Pat Farmer MP

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

Shadow Parliamentary Secretary Assisting the Leader of the Opposition in the Senate and Shadow Parliamentary Secretary for Northern Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Health
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Education
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for Defence
Hon. Peter Lindsay MP

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

Shadow Parliamentary Secretary for Trade
John Forrest MP

Shadow Parliamentary Secretary for Immigration and Citizenship
Louise Markus MP

Shadow Parliamentary Secretary for Local Government
Sophie Mirabella MP

Shadow Parliamentary Secretary for Tourism
Jo Gash MP

Shadow Parliamentary Secretary for Ageing and the Voluntary Sector
Mark Coulton MP

Shadow Parliamentary Secretary for Foreign Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Families and Community Services
Senator Cory Bernardi
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Thursday, 5 June 2008

The SPEAKER (Mr Harry Jenkins) took the chair at 9.00 am and read prayers.

ASSISTANT TREASURER
Suspension of Standing and Sessional Orders

Mr HOCKEY (North Sydney) (9.01 am)—I seek leave to move:
(1) required to appear before the House at the first available opportunity and explain his misleading of the House by claiming that:
(a) Treasury officials did not work through the night of Wednesday, 28 May 2008 on the Fuelwatch legislation when in fact they did; and
(b) the Office of Parliamentary Counsel was integrally involved in the all night drafting session of the Fuelwatch legislation when they were not; and
(2) censured for misleading this House with his statement at 2.53 p.m. yesterday which was directly contradicted by evidence provided by senior Treasury officials to the Senate later that afternoon.

Mr Speaker, this is a very serious matter—

Mr ALBANESE (Grayndler—Leader of the House) (9.02 am)—I move:
That the Member be no longer heard.

Question put.

The House divided. [9.06 am]

(The Speaker—Mr Harry Jenkins)

**AYES**

Adams, D.G.H.  Albanese, A.N.
Bevis, A.R.  Bird, S.
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.  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.
Georganas, S.  George, J.
Gibbons, S.W.  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.
Melham, D.  Murphy, J.
Neal, B.J.  Neumann, S.K.
O’Connor, B.P.  Owens, J.
Parke, M.  Perrett, G.D.
Plibersek, T.  Price, L.R.S.
Raguse, B.B.  Rea, K.M.
Ripoll, B.F.  Rishworth, A.L.
Saffin, J.A.  Sidebottom, S.
Snowdon, W.E.  Sullivan, J.
Symon, M.  Tanner, L.
Thomson, C.  Thomson, K.J.
Trevor, C.  Turnour, J.P.
Vamvakinou, M.  Zappia, A.

NOES
Abbott, A.J.  Andrews, K.J.
Bailey, F.E.  Baldwin, R.C.
Billson, B.F.  Bishop, B.K.
Bishop, J.L.  Ciobo, S.M.
Coulton, M.  Downer, A.J.G.
Dutton, P.C.  Farmer, P.F.
Georgiou, P.  Haase, B.W.
Hart suyker, L.  Hawke, A.
Hawker, D.P.M.  Hockey, J.B.
Hull, K.E.  Hunt, G.A.
Irons, S.J.  Jensen, D.
Johnson, M.A.  Keenan, M.
Laming, A.  Ley, S.P.
Lindsay, P.J.  Macfarlane, I.E.
Marino, N.B.  Markus, L.E.
May, M.A.  Mirabella, S.
Morrison, S.J.  Nelson, B.J.
Neville, P.C.  Pearce, C.J.
Pyne, C.  Ramsey, R.
Randall, D.J.  Robb, A.
Robert, S.R.  Ruddock, P.M.
Schultz, A.  Scott, B.C.
Secker, P.D.  Simpsons, 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.  Windsor, A.H.C.

AYES
Adams, D.G.H.  Albanese, A.N.
Bevis, A.R.  Bird, S.
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.  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.
Georganas, S.  George, J.
Gibbons, S.W.  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.
Melham, D.  Murphy, J.
Neal, B.J.  Neumann, S.K.
O’Connor, B.P.  Owens, J.
Parke, M.  Perrett, G.D.
Pibersek, T.  Price, L.R.S.
Raguse, B.B.  Rea, K.M.
Ripoll, B.F.  Rishworth, A.L.
Saffin, J.A.  Shorten, W.R.
Sidebottom, S.  Snowdon, W.E.
Sullivan, J.  Symon, M.
Tanner, L.  Thomson, C.
Thomson, K.J.  Trevor, C.
Turnour, J.P.  Vamvakinou, M.
Zappia, A.

NOES
Abbott, A.J.  Andrews, K.J.
Bailey, F.E.  Baldwin, R.C.
Billson, B.F.  Bishop, B.K.

CHAMBER
Thursday, 5 June 2008

| Bishop, J.I. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Coultan, M. | Downer, A.J.G. |
| Dutton, P.C. | Farmer, P.F. |
| Forrest, J.A. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hartsuyker, L. | Hawke, A. |
| Hawker, D.P.M. | Hockey, J.B. |
| Hull, K.E. * | Hunt, G.A. |
| Irons, S.J. | Jensen, D. |
| Johnson, M.A. * | Keenan, M. |
| Laming, A. | Ley, S.P. |
| Lindsay, P.J. | Macfarlane, I.E. |
| Marino, N.B. | Markus, L.E. |
| May, M.A. | Mirabella, S. |
| Morrison, S.J. | Nelson, B.J. |
| Neville, P.C. | Pearce, C.J. |
| Pyne, C. | Ramsey, R. |
| Randall, D.J. | Robbins, 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. |
| Wood, J. | |

* denotes teller

Question agreed to.

Original question put:

That the motion (Mr Hockey’s) be agreed to.

The House divided.  [9.14 am]

(The Speaker—Mr Harry Jenkins)

| Ayes | 62 |
| Noes | 71 |
| Majority | 9 |

**AYES**

| Abbott, A.J. | Andrews, K.J. |
| Bailey, F.E. | Baldwin, R.C. |
| Billson, B.F. | Bishop, B.K. |
| Bishop, J.I. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Coultan, M. | Downer, A.J.G. |
| Dutton, P.C. | Farmer, P.F. |
| Forrest, J.A. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hartsuyker, L. | Hawke, A. |
| Hawker, D.P.M. | Hockey, J.B. |
| Hull, K.E. * | Hunt, G.A. |
| Irons, S.J. | Jensen, D. |
| Johnson, M.A. | Keenan, M. |
| Laming, A. | Ley, S.P. |
| Lindsay, P.J. | Macfarlane, I.E. |
| Marino, N.B. | Markus, L.E. |
| May, M.A. | Mirabella, S. |
| Morrison, S.J. | Nelson, B.J. |
| Neville, P.C. | Pearce, C.J. |
| Pyne, C. | Ramsey, R. |
| Randall, D.J. | Robbins, 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. |
| | |

**NOES**

| Adams, D.G.H. | Albanese, A.N. |
| Bevis, A.R. | Bird, S. |
| 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. | 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. |
| Georganas, S. | George, J. |
| Gibbons, S.W. | 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. |
| Melham, D. | Murphy, J. |
| Neale, B.J. | Neumann, S.K. |
| O’Connor, B.P. | Owens, J. |
| Parke, M. | Perrett, G.D. |
| Pibersek, T. | Price, L.B.S. |
Mr HOCKEY (North Sydney) (9.19 am)—Mr Speaker, on indulgence, can I take this opportunity to thank the staff of the chamber and also the Comcar drivers and a range of others for being here beyond the scheduled hours of the chamber. I know that parliamentary sittings can be unpredictable in their length from time to time. Parliamentary staff have worked very hard as a result of the opposition’s genuine attempt to work closely with the Leader of the House in trying to get legislation through this House in a timely fashion. I know the Hansard staff have worked very hard, until way past midnight the other night, and the attendants also do a great job. They do a great job all the time.

Mr Ruddock—Well, they are public servants, aren’t they?

The SPEAKER—Order! The member for Berowra will not widen this, please.

Mr HOCKEY—They are great public servants. I also thank the parliamentary broadcasters, who are often forgotten, and security staff, who are also often forgotten, and a range of others. We are very grateful for their contributions. We must also, of course, thank the clerks—we cannot miss the indefatigable clerks—and you too, Mr Speaker.

The SPEAKER—I thank the member for North Sydney. In concurring with the comments made by the member for North Sydney, I would say that the House does appreciate, in a week like this where there have been extended hours, that there has been great cooperation by people who work around this place, and that should be acknowledged. I might take this opportunity to ask members to please be careful with the tapping of microphones. This is a health and safety issue because it does present problems for those who have headphones on in the sound-recording booth. I am indicating this because during the calling of the result of a division I whacked my microphone with a piece of paper, which caused some discomfort, and I acknowledge that.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS AND OTHER LEGISLATION AMENDMENT (2008 BUDGET AND OTHER MEASURES) BILL 2008

Second Reading

Debate resumed from 29 May, on motion by Ms Macklin:

That this bill be now read a second time.

Mr ABBOTT (Warringah) (9.21 am)—I would like to join my colleague the member for North Sydney in acknowledging the good work of the parliamentary staff. I also want to acknowledge the good work of the member for North Sydney in choosing such a good moment to provide that acknowledgement. The Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008 is important because it does, as the minister pointed out in introducing it, involve $55 billion worth of support for families. The point that the minister completely failed to make was that that $55 billion worth of support for families would have been given by the Howard government if the Howard government had still been here be-
cause we would not have been imposing a means test on the baby bonus, on the family tax benefit part B and on the childcare benefit.

Let me make it absolutely crystal clear to the House and to the listening voters of this country that the policy and the money in this legislation essentially came from the Howard government. The tax cuts were the Howard government’s tax cuts and the surplus is the Howard government surplus, and this is a government which is boasting about credentials which it does not actually have. It is a government which is boasting about credentials which belong to someone else. But it is worse than that. Not only is this government dishonestly claiming credentials to which it is not entitled but it dishonestly went to the election giving one impression while planning to do something quite different. Pre election, the government gave people the good news but it did not give them the fine print. It is fundamentally dishonest to give the voters good news before the election and save up the bad news for after the election, but that is precisely what this government has done. I ask members opposite how many of them put out press releases during the campaign telling their voters honestly that the baby bonus was going to be means-tested. How many members opposite put out press releases during the campaign owning up to their voters that there would be a means test on the family tax benefit part B? How many of them visited childcare centres during the election and said, ‘By the way, there is going to be a means test on the childcare benefit if we get elected’? I tell you what, none of them did, because they were interested in votes and what they were doing was telling people the good news and effectively lying about the bad news. This is the fundamental dishonesty behind this bill.

Let me give one example in case anyone might doubt what I am saying. I have here a message from ALP campaign information dated Thursday, 22 November 2007, at four o’clock in the afternoon. This is a message which I am sure went out to thousands and thousands of people during the campaign. To quote ALP campaign information:

We have no plans to make any other changes to the way the Baby Bonus is structured, either in terms of eligibility or payment methods.

That was just a lie; it was just an outright lie.

The SPEAKER—Order! The honourable member should be very careful with the type of language that he uses.

Mr ABBOTT—Mr Speaker, I am being quite careful not to accuse any particular person of lying but I am entitled to say that this government’s election was based on, amongst other things, this particular lie. Thousands of families will be worse off as a result of these means tests. Thousands of families will be less well off than they expected because of these secret means tests, these hidden means tests, which this government did not have the guts to come clean about before the election. They did not have the guts to be honest and open and up-front with the Australian people, and that is why so many people, as the polls are starting to show, are now asking the question, ‘Why did the government lie to us? Why did they not come open and out and up-front before the election?’ You know, the people of Australia are going to be further disappointed. I could not help noticing in the Sydney Morning Herald of 15 May a report that no less a person than the Treasurer had said that there were more plans in the pipeline to means-test other benefits. Why didn’t they say that before the election? If the Treasurer thought it was necessary to means-test benefits and he has more plans to means test benefits, why didn’t he come out and say this prior to the election?
There was a basic message that came out of the government budget to the people of Australia, a basic message contained in all of these secret means tests that were sprung on people in the budget. That basic message is, ‘Don’t bother to earn more than $150,000 as a family, as an individual, because as far as the Rudd government is concerned if you earn $150,000 you are part of the Rudd rich.’ That is what you are: $150,000 makes you one of Kevin Rudd’s new millionaires. Let me put this to the chamber: 10 per cent of the households of Sydney earn more than $150,000 a year and according to the Prime Minister they are the Rudd rich. They are the people who do not deserve any help from government. You actually need $150,000 a year to sustain a Sydney mortgage, but, as far as this government is concerned, at $150,000 a year you deserve as much help as Kerry Packer or Frank Lowy or Richard Pratt. It is just not right. The reason above all why it is just not right is that this mob opposite just were not honest about this with the Australian people before the election.

Let me briefly go through some of the particular elements of this legislation. The first major element of the legislation is the means test on the baby bonus. I want to say that means-testing the baby bonus is just plain wrong. Mothers do not get the baby bonus because they need it; mothers get the baby bonus because they deserve it. The idea that there should be two classes of mothers—class A mothers in households earning less than $150,000 a year and class B mothers in households earning more than $150,000 a year; class A mothers who have costs associated with having a baby and class B mothers who somehow do not have those costs or if they do they do not need any help—is just plain wrong. The real mistake in this misguided means test is the establishment of two classes of mother and two classes of child in this country. Especially, it is odd to see the baby bonus being taken away from mothers who deserve it through a means test that Labor says it will not enforce. If you carefully read the minister’s second reading speech, it is pretty clear that this is the first social security measure—or what the government thinks is a social security measure—that is to be based almost entirely on an honour system.

The second key measure in this bill is means-testing the family tax benefit, and that is wrong too, especially when you have not been honest and up-front about your intentions pre election. I should concede that the former opposition did—back in 2006, I think—move an amendment to a piece of government legislation suggesting that there should be a means test on the baby bonus at $250,000 a year. Having flagged an intention to put in place a misguided means test, they then ultimately made liars of themselves by not putting a means test on at $250,000, which they might have been able to say they flagged; they put it on at $150,000. Again, the big problem here is not so much the policy, misguided though it is, but the dishonesty of the political party that did not talk about this pre election.

The next significant item in this legislation is the proposal for voluntary family income management or voluntary welfare quarantining. I have to say that I think welfare quarantining is a very important initiative. Again, it is an initiative that was taken by the Howard government and was made possible in the Northern Territory and elsewhere because of pioneering legislation that the Howard government put in place last year. I think that the family income management measure that the government has in this bill is, in principle, a perfectly good thing. The problem is that the only places, I am advised, where this voluntary family income management will be possible this year and next are the Kimberleys of northern Western Australia and the Cannington region.
of outer metropolitan Perth. So here is a government which is introducing, with some fanfare, a measure as part of the budget and legislating for it today. This voluntary family income management that the Rudd government is giving the country will, I am sure, be touted around this country, announced and re-announced and sung from the rooftops by members opposite as a sign of the new leadership, but it will not actually make any difference for at least 18 months. My message to members opposite is: if you are a fair dinkum, do not just talk about these things, do not just pass legislation in the parliament but actually make these things happen for the benefit of the Australian people. Make them happen now or, if not now, at least in the next couple of months, not in a year or so.

Then we have the changes to eligibility for the Commonwealth seniors health card. Again, it was something that was never talked about pre-election. Members opposite did not exactly go into the senior citizens centres of our country and say, ‘Oh, by the way, just in case you’re thinking of voting Labor, you ought to know that the seniors health care card is going to have a much tighter eligibility test applied.’ They did not say that, did they? There is the member for Maribyrnong over there with his head earnestly and diligently buried in his papers. How often did the member for Maribyrnong go into senior citizens centres and say, ‘Oh, we’re going to impose a tighter eligibility test on the Commonwealth seniors health care card’?

Mr Shorten—How many factories did you tell about Work Choices before 2004?

Mr ABBOTT—We are now talking about this government’s legislation. In fairness to the seniors of his electorate, he really ought to apologise to them for visiting senior citizens centres up hill and down dale and not being up-front and coming clean with his nasty little change to eligibility for the Commonwealth seniors health card.

Mr Shorten—Mr Deputy Speaker, I rise on a point of order. Whilst the member for Warringah was—

The DEPUTY SPEAKER—The point of order?

Mr Shorten—I am coming to it.

The DEPUTY SPEAKER—What is the point of order?

Mr Shorten—Earlier on, the member for Warringah accused the Labor Party of telling lies but, when he was cautioned by the Deputy Speaker, he said, ‘I’m not accusing an individual of being untruthful.’ He has just said I have been untruthful.

The DEPUTY SPEAKER—The member for Maribyrnong does not have a point of order. He is the next speaker listed to speak in this debate. He can respond to any of the comments from the member for Warringah at that time. I call the member for Warringah.

Mr ABBOTT—Mr Deputy Speaker, I am not making any personal aspersions against the member for Maribyrnong.

The DEPUTY SPEAKER—No, and I would not allow them.

Mr ABBOTT—I appreciate that, Mr Deputy Speaker. During the member for Maribyrnong’s multitudinous visits to the senior citizens of Maribyrnong the seniors were saying, ‘Please, spare us from Bill Shorten’s visits.’ I am just asking the question: how many times on those visits did the member for Maribyrnong actually say to seniors: ‘Oh, by the way, no-one has told you
this but honest Bill is going to be up-front with you. There is going to be a change—

The DEPUTY SPEAKER—The member for Warringah will refer to the member by his seat.

Mr ABBOTT—Sorry; I should not have said ‘honest Bill’. That is not true. I should have simply referred to him as the member for Maribyrnong.

Mr Shorten—Mr Deputy Speaker, I rise on a point of order. It is fully clear that he is making an implication by innuendo using the reference—

The DEPUTY SPEAKER—I have ruled that the member for Warringah will refer to members by their seat.

Mr ABBOTT—I am justly rebuked and I will not sin again, Mr Deputy Speaker.

Mr Shorten—You’ve said that before!

Mr ABBOTT—I have, and you might have to give me absolution on more than one occasion. The fact is that this is a sneaky, underhand change. These seniors are not only going to lose eligibility for the Commonwealth seniors health card. Because they lose eligibility for that, they will lose eligibility for subsidised drugs under the Pharmaceutical Benefits Scheme and many of them will not get bulk-billed by their doctor because many doctors use the seniors card as a criteria for bulk-billing people. And in some states they will lose eligibility for a whole range of seniors concessions because in those states the Commonwealth seniors card is one of the keys for access to these concessions.

The final major measure in this bill is to align the age of partner service pensions. The rationale is that this is what happens in the social security system so it ought to happen in the veterans system. I just want to make it very clear that it is the strong view of the coalition parties that veterans and their wives should be treated under the veterans system and not under the social security system. That is why the opposition will be strongly opposing this particular change.

As the member for Maribyrnong would no doubt interject, the former Howard government were responsible for establishing what notoriously became known as core and non-core promises. We were understandably enough pilloried up hill and down dale from 1996 about these core and non-core promises. I have to say that the 2008 equivalent of core and non-core promises is these sneaky means tests that have been introduced by the Rudd government. Unlike John Howard, the current Prime Minister is not open and up-front about these things. Labor went to the election claiming to be economic conservatives but what we have seen from the government, particularly in these sneaky, class-envy-driven means tests, is that at heart they are still socialists deep down. I move:

That all words after “That” be omitted with a view to substituting the following words: “while not declining to give the bill a second reading, the House:

(1) is of the opinion that the Baby Bonus should be payable at a tapered rate for incomes in excess of $150,000, being reduced in respect of higher incomes by $1,000 for every $10,000 earned; and

(2) records its concern at the Government’s decision to impose a means test on the family tax benefit”.

The DEPUTY SPEAKER—Is the amendment seconded?

Mr Farmer—I second the amendment and reserve my right to speak.

Mr Shorten—Parliamentary Secretary for Disabilities and Children’s Services.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and
Children’s Services) (9.41 am)—It is all right, Mr Deputy Speaker. No-one in the coalition has bothered to seek out my seat, but that’s life. None of them actually visited my electorate in the whole time of the Howard government, but that is all right—my electorate voted for Labor. I rise today to give my support to the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008, which is bringing fairness and simplicity into family assistance. This government handed down in May a fair and economically responsible budget. As my colleague the Minister for Families, Housing, Community Services and Indigenous Affairs said in this House last week:

The budget delivered our election commitments and invested responsibly in building a modern Australia.

It was carefully framed to meet challenging economic times. It recognised that many Australians are under increasing financial strain from rising cost of living expenses and high interest rates—the legacy of the long Howard years. It was a budget which put the concerns of working Australians at the forefront. Our $55 billion working families package clearly shows our commitment to supporting those who need it.

This bill will, in part, establish a $150,000 cap on primary income for family tax benefit part B and related tax offsets. It contains also four measures to do with the baby bonus. Firstly it introduces an income test for the baby bonus from 1 January 2009. Families with an estimated adjusted taxable income of more than $75,000 in the period of the six months after the birth of the child, or in the case of adoption or long-term care arrangements the period of six months after the child is entrusted into the family’s care, will not be eligible for the baby bonus in respect of the child. This income limit will be indexed on 1 July every year, in line with movements in the consumer price index, with the first indexation occurring on 1 July 2009. There will also be provision for the baby bonus to be paid by instalments rather than by lump sum. Payment will be made in 13 fortnightly instalments of around $385 per payment starting after the determination granting the claim. This will apply from 1 January 2009.

Thirdly, the indexation date for the baby bonus will be changed from 1 July each year, after the legislated increase, to $5,000 on 1 July 2008. Current indexation dates are in March and September.

Furthermore, eligibility for the baby bonus will be extended to parents who adopt children under the age of 16, and an adoptive parent will be able to access the full amount of baby bonus even if it has previously been paid. I particularly welcome this most recent initiative to which I refer. Currently, the baby bonus is only payable for children adopted under the age of two, and this will apply from 1 January 2009. I was disappointed that the member for Warringah failed to refer to this absolute improvement in the legislation.

Governments have to think very carefully about how they spend taxpayers’ money. The previous government lacked these scruples and abandoned the traditional notion of welfare to the most needy. Instead it was busy trying to force disabled pensioners and single mothers back into the workforce regardless of circumstances—indeed, it was trying to force Australian workers back into the dark old days of master and servant through its draconian and euphemistically named Work Choices. Furthermore, as the member for Warringah correctly identified in the only part of his speech with which I concurred, the Howard government was dividing its election commitments into core and non-core promises. I appreciate the apology by the member for Warringah, who correctly says that they should have been pilloried for what
happened. And, of course, the previous government was known for throwing the truth overboard.

In fact, the previous government were handing out $5,000 bonuses to millionaires. The opposition have been howling, barking, moaning and groaning since the changes outlined in this bill were first mooted. The member for Curtin said that means-testing the baby bonus would be an administrative nightmare. She might have some idea about administrative nightmares; one only needs to look at the way that the Australian workplace agreements were created, changed and mangled. Perhaps this is the reason why the former government implemented so little good policy. They always went for the easy option—the low-hanging fruit.

Meanwhile, the Leader of the Opposition has, characteristically, been wavering about means testing. The morning after the budget was handed down, when interviewed by Chris Uhlmann on the ABC, he had one of those moments which no doubt he would rather forget, but unfortunately the transcript exists. The Leader of the Opposition said:

... we think that a means test on some of these benefits is reasonable.

Oh, my goodness. The cat is out of the bag. We don’t support means testing on these things ...

I say again: the Leader of the Opposition one day says they are open to means testing; two days later—not three or four days later but within the space of 48 hours—he says:

We don’t support means testing on these things, we think that Australians ought to be encouraged—

well, that’s brain surgery!—

and rewarded for having families and working hard.

So do we. He then went on to say:

However, having said that we are not going to block it in the Budget.

Maybe the current Leader of the Opposition, as opposed to any other putative leaders of the opposition, thought that he was speaking on different programs on the ABC and no one would spot the difference. Where exactly are the opposition on this issue? Can they make up their wandering, mendicant minds? Are they Arthur or Martha? What is their alternative? They want to reduce the benefits to the battlers so that the millionaires can get the assistance that the millionaires know they do not really need.

In support of my case I would like to refer to a notorious group of left-wing, Green Left Weekly reading, pinko lefties. In case you are curious about who that is, I of course refer to that notorious cheer squad of the ALP, the Business Council of Australia. The Business Council of Australia has called for the means-testing of some of these benefits. Even before the budget was brought down, the President of the Business Council of Australia, Mr Greig Gailey, said it was inappropriate to hand out benefits such as the baby bonus regardless of income and it is time to spend taxes more wisely. Mr Gailey continued:

Family tax benefit B is means tested as it was under us on the income of the mother. We don’t support means testing on these things ...

We don’t support means testing on these things, we think that Australians ought to be encouraged—

So do we. He then went on to say:

However, having said that we are not going to block it in the Budget.

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If you look at the position of what one might describe as the middle ranking taxpayers, something like about 30 per cent of the tax they pay actually comes back to them. And that sort of churn, I think is highly questionable in terms of its efficiency and I think providing un-means tested benefits like the baby bonus is a good example. Really isn’t appropriate in our view... those benefits if government determines to give them, should be means tested.

There we go. Well-known, left-wing branch members of the ALP, the Business Council of Australia, with whom I have not always seen eye to eye on other matters, have said: ... those benefits if government determines to give them, should be means tested.

The member for Warringah, in a throwback to his student political career, said that Labor was suffering class envy for supporting means testing. Does he therefore say that Greig Gailey has class envy? Does he therefore say that the Leader of the Opposition—who, on a day when one of his personas is kicking in, says means testing is all right—is prone to the odd bout of class envy? As I am not privy to the machinations of the leadership struggles among the conservatives, I therefore cannot decide if the member for Warringah in making this point about Labor is in fact criticising the Leader of the Opposition because he was once a member of the Labor Party. Perhaps there is a dim, dark suspicion in some of the ranks of the coalition that, if he was in the Labor Party for so many years, he really is the Manchurian candidate of the Labor Party.

Before the election, you would have thought from the propaganda and spin from those unhappily occupying the opposition benches that the Labor government and business would be at each other like a pair of mangy junkyard dogs. Instead, to no-one’s surprise, except for those on the opposition benches, we are in furious agreement and it is the opposition who are out in the cold—clinging to their old, big-spending, vote-buying ways, trying to defend the indefensible and being endlessly confused about their own position.

Newspoll conducted a poll on this issue a week or two back. It indicated that not one out of three and not two out of four but two out of three people actually supported means-testing these benefits—and most actually thought it should cut in before $150,000. It is said that people often run ahead of politicians. On this issue, the people have clearly left the divided, confused, big-spending, millionaire-welfare-loving opposition in their dust. It makes sense to target this assistance. As the minister said, this government is committed to a children-first approach to family policy and is taking responsible decisions to ensure a responsive and targeted social and income support system.

The government’s approach on this issue is an integral part of the budget commitment to keep downward pressure on inflation and interest rates. We know that the best way to help hardworking Australians is to keep downward pressure on interest rates and inflation. It should come as no surprise therefore that the Labor Party is taking a sensible and fair approach to welfare. Labor has always been the party of welfare reform and has always been the party that cares about Australians. I am proud to be part of this government, under the Prime Minister and the Minister for Families, Housing, Community Services and Indigenous Affairs, which is continuing this magnificent tradition. I commend this bill to the House.

**Mr MORRISON (Cook) (9.53 am)**—The Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008 fails to understand the purpose of the measures that it seeks to change. I think that is the fundamental point in this
debate. The member for Warringah has made some excellent points about the deceit that has been put forward by the government not only on this bill but on a raft of bills that we have seen paraded through this place, particularly over the last few weeks, where they said one thing to the Australian people before the election and then have come into this place and, as the member for Kingsford Smith said they would, changed it all. There has not been a truer word spoken by anyone in the government—other than, I suppose, by the last honest man in the Rudd government: the member for Batman—than when the member for Kingsford Smith said prior to the election in a conversation with Steve Price in the chairman’s lounge in Melbourne, ‘We’ll change it all.’ That is what we are seeing here on a daily basis. We saw it in this place yesterday, we are seeing it in this place today, and I suspect we will continue to see it.

I know that the member for Maribyrnong made reference to a Newspoll poll that has appeared. I am sure he would have read Newspoll’s poll this week because I know the member has a very keen interest in the performance of the government. I suspect we may see him moving forward on these benches very soon. With performances like his in the House today, I am sure it will be only a matter of time before we see him move forward just that little bit further from where he currently sits to the front bench.

The point I am really trying to make here today is that these measures that were designed by the previous government had purposes. The government in their rush to class envy, to symbolism and to punish those whom they simply do not agree with have decided to trample over the merits of those measures. The bill proposes changes to family tax benefit part B, the baby bonus, as well as the seniors health card—and there were other measures announced in the 2008 budget. It is proposed that an income test be applied to the baby bonus from 1 January 2009 onwards to make provision for the payment of the baby bonus by instalment rather than by lump sum. Payments will generally be made to recipients by way of 13 fortnightly instalments. We should remember that these measures were also introduced by the previous government but were only applied to situations where the government had a proven and demonstrated concern that the management of a lump sum payment by an individual might be to the detriment of a child or a family.

Those opposite have taken that measure, which was designed to protect people in the most vulnerable circumstances, and writ it large across the entire Australian population. To every single family who will have a child from 1 January 2009 they have said: ‘We do not trust you with the money. We do not think you are going to spend this money correctly. We think you will just go out there and blow it all.’ They think they are going to blow it all like the government are doing, with $30 billion in expenditure in their first budget and $19 billion of new revenue measures and taxes. They are saying to new mums and dads: ‘You’re not up to this task. This is beyond you, so we are going to give it to you in little bits and pieces.’ As someone who in the last year has done things like buy a pram and other things for a new baby, I know that you get these bills in large chunks. What are we going to do? Are we going to sit on these bills for weeks and weeks as the baby bonus dribbles into the bank account?

This bonus was intended as a fixed payment to address the financial needs of families in those crucial first few months. They are difficult months for families. They are learning many new things and coming to terms with major life changes. The last thing they want to be worried about in that period of time is the dribbling in of the baby bonus cheque. The fact that it has been paid gives
some comfort, reassurance and an ability to focus on the most important thing when a family has just had a child—and that is the child. That is where all of the focus should be. I am sure all members in this place would agree with that statement. But this measure highlights the risks and uncertainties and it adds a little bit more pressure to a situation that, frankly, just does not need it.

There are also changes that substitute the current indexation arrangements applying to the payment with a new annual indexation scheme. There are changes to the eligibility conditions for the baby bonus for adopted children. These amendments increase the age limit for baby bonus eligibility from two to 16 years where a child is adopted. The baby bonus one-off payment is currently made on the adoption of a child under the age of two, and the payment is generally made, as I said before, as a lump sum.

To understand the objectives behind the baby bonus payment, I think it is important to understand a bit of the background. Before the government was elected, the former coalition government put in place many initiatives that provided practical financial assistance to families. The family tax initiative started in January 1997 and gave tax benefits to families with children and additional benefits to single-income families. Also, from July 2000, families enjoyed increased tax-free thresholds, providing a further $2 billion of annual benefits to families. An integral part of these changes was the simplification of the family benefits structure, giving families added incentive to work by easing the income test for the family tax benefit and lowering income taxes.

The baby bonus was another family orientated initiative that was introduced by the former coalition government, in 2002. The payment recognised the cost involved with the birth of a first child, including the loss of the second household income. The basic principle was that a couple that has a child goes from two incomes down to one at the same time as they have the additional costs associated with a new baby. The underlying principle behind the baby bonus as first constructed was that it enabled a mother to effectively claim back the tax she paid on her income for the previous five years in the year prior to the birth of a child. The maximum amount that could be claimed back was initially $2,500, and this equated to the tax payable on an income of $52,666. At the time, it was estimated that about 93 per cent of partnered women without children earned that amount or less, while those women with a higher base salary could not claim more than $2,500.

The baby bonus also supported mothers on low incomes and those not in the workforce. The minimum annual payment of $500 was available to those with a taxable income of $25,000 or less. The baby bonus has provided assistance to hundreds and thousands of families each year and was only possible because of the former coalition government’s economic credentials.

It has been galling to sit in this place and listen to the Treasurer, the Prime Minister and the Minister for Finance and Deregulation talk about their surplus—the surplus that they created. It is an absolute nonsense. When the coalition came to power in 1996 there was no surplus. People did not talk about surpluses. Surpluses were not the norm in fiscal policy in this country. The current government, elected in November, inherited the best set of books they could possibly hope for. To come in here and seek to undermine that for political purposes betrays the political envy of this government and the fact that they will literally do anything and say anything in order to advance their cause.
Currently the baby bonus is $4,133 for each eligible child and the payment is tax free. There is no income or means test and it is not included as income for social security or other family assistance purposes. It is mostly paid as a lump sum in recognition of the large expenses incurred immediately before and after the birth of a child. The baby bonus was never intended to operate as a form of welfare—and this is an important point. It was a payment from the Australian government to help families, no matter what their income, with the costs associated with caring for a new baby.

At the end of the day these measures were all about fertility. The means test is a nonsense on that basis. It is about fertility. It is not about the obsession that those on that side of the House have about wealth redistribution. That is what they are on about—wealth redistribution. They have sought to apply that philosophy to a measure which it has nothing to do with. If you are trying to boost fertility, if you are trying to get more children born in your country, it does not matter under what roof that child is born—whether the child is born to a low-income family, to a high-income family, to a median-income family, to a family with an overseas-born background, to a family with a non-overseas-born background, to a family who is working or to a family who is not working. It does not matter. The point of the policy is to increase the fertility rate to ensure that there are more babies born. So the application of a means test is an absolute violation of that objective, and those opposite should really think hard about these measures because they clearly do not understand the point behind why these measures were first introduced.

Why is fertility so important? The former government understood this and in particular the former Treasurer, the member for Higgins, understood this point. He was the first to confront our demography challenge with the Intergenerational report initiative—the first in 2002 and then again in 2007 and planned for every five years thereafter. It is a great comfort to those on this side of the House that in the shadow Treasurer we also have someone who understands the challenge of demography. In his maiden speech in this place, as he sat over there, the member for Wentworth as he was then—the shadow Treasurer, as he is now—talked about demography being destiny. In that speech he made numerous remarks about the importance of us facing up to these challenges of demography. This is what the former Treasurer, the member for Higgins, was seeking to do. This is what he has been successful in doing with the policies he brought forward.

The Intergenerational report had some staggering statistics and some staggering realities for us to confront. Between 2000 and 2047, our population aged over 65 will increase from 2.8 million, or 13.4 per cent of our population, to 7.2 million, or 25.3 per cent. That is an increase of more than 250 per cent. This will more than halve the ratio of our working age to retirement age population, which will go from just over five to around 2.4. The cost of meeting these changes, which has been included in estimates provided at various times, is something like $50 billion a year in additional taxes to put that bill at a state and federal level.

The primary cause for these changes, in terms of the movement and statistics and the changes of these ratios of workforce to aged population, is fertility rates. That is understood. In the early 1960s the fertility rate in this country was 3.2 births for every woman. In 2001-02 it had fallen to 1.7. That is still higher than other developed countries, where it is about 1.2 and 1.4 births. But it still represents a failure of our own population to
replace itself. The key impediment to families having more children, as identified in the various studies that took place at the time, was the prohibitive cost. The point here is that, as a nation, we need strategies to address our demographic challenges.

The former government was prepared to take on those challenges and the baby bonus was but one measure, non-means-tested, which went a long way to moving those statistics in the right direction. The ABS shows that there was an increase in the total number of births in the country following the baby bonus. In 2001-02, the total number of births in the country was 247,000. By 2006-07 it had risen to 273,000. During the 2006 calendar year there were 266,000 births registered in Australia. This was 6,200 more than the previous year. This was the second highest number of births registered in Australia, with more births registered only in 1971.

Looking at fertility rates—normally expressed, as we said before, in births per woman—we have seen that fertility rate increase since the baby bonus from 1.73 to 1.853. The reversal of Australia’s declining fertility rate, as a result of the non-means-tested measures introduced by the former government, is working. I do not know what it is with those opposite, who seem to think that they have to find every policy that the previous government put in place and change them all, as the member for Kingsford Smith said, and to break them. We have a policy here that is working. It is increasing our fertility rate, and this government seems intent on destroying it. Understanding its commitment to public policy in this country is beyond me when it is being so irresponsible as to undermine this measure at its core.

I am waiting to hear about the government’s plan on fertility. I am waiting to hear the Prime Minister talk of the challenges. I suspect that, if he does do anything, we will only hear him talk, but at least it would be an acknowledgement of the demography challenge our country faces if he would start facing up to this issue. I am waiting to see the fertility policy. This is a government that want to engage in gender equity debates on maternity leave, they want to engage in income redistribution debates on baby bonuses and they want to engage in class warfare debates on workplace relations; but all of these issues are actually about fertility. Changing workplace relations, changing things to do with maternity leave, changing things to do with income benefits and changing things to do with baby bonuses are all about encouraging greater fertility in this country. It is time that those opposite set aside their ideological biases on this issue and actually faced up to and focused on the key challenge we as a country face, which relates to the issue of fertility.

In closing, I make a few other comments about some other matters that relate to this bill and how they fall particularly on those in my home town of Sydney. As the member for Warringah said, we need to understand the impact of this measure, particularly in relation to the $150,000 rich tag—the Rudd rich tag—which has been highlighted, on families. I am quoting here from the Daily Telegraph of 15 May:

Families who wanted to live closer to the city and buy a mid-priced home costing $551,000 would not be able to do so on an income of $150,000.

The article also says:

A THIRD of families potentially hit by the Federal Government’s new $150,000 means test on family welfare benefits live in Sydney.

There are 53,000 families with dependent children on incomes over $150,000 living in Sydney who could be hit by the changes.
What I see on the front bench opposite is not a great understanding of the cost of living as it applies to families and people living in Sydney. The key decision makers in this government do not come from Sydney—they are from Brisbane, Melbourne and other places—and what they do not understand is that servicing a mortgage in Sydney and taking on second jobs, as families do, is putting families over that $150,000. That is the new Rudd rich, as the member for Warringah says. They are the people the Prime Minister thinks should be penalised—people who are going out and making an effort to earn more to pay off that mortgage and provide for their future. They are being cast aside as the wealthy, the rich and those who do not deserve encouragement. It is a pretty sad message to send to Sydney people and to Sydney families if those in this government are not going to face up to the challenges faced by those families.

I will also touch very briefly on the family tax benefit changes. The family tax benefit provides recognition for families where one partner stays home to look after a child. That was a choice made by families that the former government, and particularly the former Prime Minister, said they were committed to, and the former Prime Minister backed that up. The changes to the family tax benefit flagged in this bill—and I am sure this will see further changes down the track—really speak against those decisions taken by families.

I conclude on the point that I want to see a fertility policy that supports the choices of families. I want to see a fertility policy that supports the choices of families to have parents who decide to stay home and look after their children, not just the choices of those who go out to work.

Mr SLIPPER (Fisher) (10:11 am)—I am particularly pleased to have the opportunity of joining in the debate on the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008. This bill supports some of the decisions made by the government in the 2008 budget. The government, of course, has had quite an easy job to manage the economy since it was elected to office, given the fact that the former government had repaid $90 billion of Labor debt and ensured that the budget was in surplus. This government has come forward and somehow suggested that it inherited an economic basket case and that it therefore had to slash and burn existing programs to make sure that the government was able to pay its way.

There has been a lot of huffing and puffing, but sadly not a lot of accurate comment, on the part of the government. This government, unlike its predecessor, inherited a robust, well-managed economy. The former Treasurer, the honourable member for Higgins, did an outstanding job as Treasurer, as did the government generally as a government. We created a culture in Australia where governments have to pay their way. One has to treat a national budget in the same way as one would treat a family or household budget. One simply cannot continue to spend more than one earns. Unlike our predecessor, we made sure that the government kept within its means and we repaid debt. Having repaid debt meant that we were no longer paying interest on that debt, and in the last years of the government we were able to return a social dividend to the community as a result of the benefits of sound economic management.

Some people said that the former government, while managing the economy well, maybe did not have a heart, did not have enough of a heart or did not show enough feeling for those people in our community who were doing it tough. But everyone
agreed that the government did manage the economy in a sound and responsible manner. What the new government has done is to attack our economic credentials. It suggests that we let the inflation genie out of the bottle. It claimed that we were spendthrifts. It claimed that it had to rein in spending so that the country could continue to operate. It has sought to demolish our economic reputation. It has sought to portray us as economic vandals. It has sought to suggest that we, in some way, did not have our eye on the ball.

This is not convincing the Australian community. Labor governments, like leopards, do not change their spots. The challenge for this government is going to be to resist the traditional Labor tendencies which always seem to creep into Labor administrations around the country. The families, housing and community services legislation currently before the chamber is legislation whereby Labor does give in to its ideological inclinations, particularly with respect to the baby bonus. It is ridiculous that the government has sought to victimise those families who earn more than $150,000, because the baby bonus was not seen as a welfare measure. The baby bonus was something that was provided to assist families with the additional costs of bringing a child into the world. The baby bonus has been quite extraordinarily successful insofar as the fertility rate in Australia has risen. An amendment has been moved by the honourable member for Warringah that states:

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

(1) is of the opinion that the Baby Bonus should be payable at a tapered rate for incomes in excess of $150,000, being reduced in respect of higher incomes by $1,000 for every $10,000 earned; and
(2) records its concern at the Government’s decision to impose a means test on the family tax benefit.

This amendment would greatly improve the bill were it to be accepted by the government, but I suspect that this government will be unlikely to accept the common sense expressed by the member for Warringah in his amendment.

The interesting thing is that the number of families in Australia with incomes in excess of $150,000 having children would not be high. I suspect strongly that the cost of administration of this means test will outweigh the moneys which would be saved by the government as a result of the means test. So this is, I suppose, an ideological indulgence by the government pandering to the people on the left of the party. I think it is really quite ridiculous that we are seeing this means test introduced with respect to the baby bonus. The means test, in my view, will cost more to administer than the savings will be as a result of depriving those people with incomes of over $150,000 from actually receiving the baby bonus.

The government stands condemned by the Australian community in a number of areas. Because I am quite keen not to tempt you, Mr Deputy Speaker, by straying too far from the provisions of this bill, I am not going to talk about things such as the way the Assistant Treasurer misled the House. I am not going to talk about the way that public servants were forced to work for 35 hours straight to produce legislation—

The DEPUTY SPEAKER (Hon. BC Scott)—I am very pleased to hear that but you might come back to the bill before the House.

Mr SLIPPER—in relation to a Fuelwatch scheme. I am not going to traverse into those areas, because I realise that were I to talk about the Assistant Treasurer misleading the House you quite rightly, Mr Deputy Speaker, would feel forced to bring me back to the bill.
The DEPUTY SPEAKER—The member for Fisher will bring his comments back to the bill before the House.

Mr SLIPPER—I am just saying, Mr Deputy Speaker, I do not intend to go down that line, because I do not want to force you to have to impose the standing orders.

The DEPUTY SPEAKER—I can advise the member for Fisher he would not be forcing me; I would be taking action without his encouragement. I ask the member for Fisher to bring his remarks back to the bill before the House.

Mr SLIPPER—I do accept your ruling, Mr Deputy Speaker, as you would expect me to. This bill, however, would be greatly improved were the amendment moved by the honourable member for Warringah to be accepted by the government. I ask the Parliamentary Secretary for Disabilities and Children's Services at the table to consider the arguments put forward by the member for Warringah because we as a parliament do have a responsibility to get legislation right. The legislation is not right and it would be greatly improved were the amendment moved by the honourable member for Warringah accepted by the government.

I also support the second part of the amendment moved by the honourable member for Warringah—that is, that we as a parliament should express our concern at the decision of the government to impose a means test on the family tax benefit. I think it is about time that the government got off the backs of those people who are prepared to work hard to produce an income, because if it were not for the fact that people work hard and produce income then the government would not be receiving the taxation revenue it needs to provide the services required by the Australian community. So the government ought to be a government for all Australians. The government ought not to victimise those people who work hard, because if we did not have people working hard and earning those sorts of incomes then the government simply would not be able to provide the social services needed by the community at large. I do support the position taken by the member for Warringah and I commend the amendment to the chamber.

Mrs BRONWYN BISHOP (Mackellar) (10.20 am)—I rise to add my comments to the second reading debate of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008. Last night in the Main Committee I spoke at length about the way the Rudd government is taking away entitlements that veterans have enjoyed. There is the hypocrisy of this whereby the government has said that it would always protect veterans and their rights and believes that they should be serviced by the Department of Veterans’ Affairs. We have seen the resignation of the secretary of that department. That is of great disappointment to many veterans because they believe he has done a very good job, as do I. I would like to place on record that, although I have been the shadow minister in this portfolio for only six months or so, I have come to have a very high regard for him and I think he will be greatly missed. I am just wondering whether he is yet one more casualty of the abuse of public servants that is going on at the present time by the current government.

I want to speak very specifically about the increase in the age limit at which spouses of veterans will have access to service pensions. At the present time that age is 50. Because of the budget initiative of this government, the age will rise to 58.5. It is unreasonable to, in one leap, take a pension which people may have been planning on and push it out of reach for the best part of a further decade. It should be compared with the way in which
the Howard government initiated moves to shift the age limit for the pension from 60 to 65. That was done over many, many years and we are still not quite there. In other words, it could be factored into people’s arrangements. For the age limit to be lifted as it is, in one swoop, in one year, is totally and utterly unreasonable. Accordingly, I will be moving, on behalf of the member for Warringah, an amendment to schedule 5 of the bill which would enable that age limit to remain at 50 years, so that veteran entitlements would not in fact be diminished.

With regard to the other issues in the bill, my colleagues have covered those very solidly and very wisely. There will be a further amendment relating to the seniors card. I would point out that in the budget there was not one word about seniors. There was nothing for the older population who are retired people and obviously do not fit the description of a working family. It is such a narrow definition and excludes so many people. Veterans and other people who are retired are outside that parameter and do not count. That is becoming more and more clear. I saw the honourable member across the table, the member for Maribyrnong, say that there was something there for seniors. Of course there was: they were the provisions which we in fact introduced about the utilities allowance. They were part of our policy. Mr Rudd went and said, ‘Me too, me too, me too,’ and now wants to take credit that it was his own initiative, but it was not. We are very pleased when the government chooses to put what were our policies into practice, but we will not have them take credit for them. They simply said, ‘Me too.’

Mr WINDSOR (New England) (10.24 am)—I endorse some of the comments made by the member for Mackellar, particularly in relation to the veteran community. I know it is not part of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008, but an anomaly that should be addressed and hopefully will be addressed by the new government is the provision of the gold card to veterans of the Second World War who did not have the appropriate ‘qualifying service’—as it is deemed in the legislation. That is one of the great disgraces that this parliament has presided over. I understand those veterans are dying at the rate of something like 800 a month.

In many cases it has been disturbing to them that, even though many of them would have trained and served as members of our military services during the five years of that particular conflict, the fact that they were not sent to an area where an angry shot was fired has meant that they are being treated as second-class citizens in the latter part of their lives when they need, in my view, special medical treatment. Particularly in recent years when the government has had fairly substantial surpluses, the rhetoric on all sides of parliament has seemed to reside in concern for our troops overseas and how we have to encourage them and look after them et cetera. Yet we have this fairly blatant abuse of older veterans who were doing only what their country asked of them. If the leaders of their country had asked them to go overseas they would have, but they were asked to stay here.

Take, for instance, my father’s case—and this would have occurred in a lot of cases. He served in the Middle East. If the Japanese had broken through in New Guinea, he would have been a fat lot of good in defending my family because he was in the Middle East looking after someone else’s family. If history had taken a left turn, those who were here, who now are being treated as second-class citizens in terms of access to the gold card, would have been the real defenders of
the nation. Excuse the latitude I am taking, but it is something we should take up.

My main reason for speaking to this piece of legislation is this abominable policy called the ‘baby bonus’. On day one, when Treasurer Costello brought this piece of legislation to the parliament with the guise that somehow there was falling fertility and that a few thousand dollars would in fact cure the problem, the statement he made—and I know it was half in jest, but he resided on it for a long time—about having one for dad, one for mum and one for the nation sent a dreadful message, particularly to young people. I was hopeful when this government was in the election phase and was concerned about inflation that it would have thrown this abominable piece of legislation out. I will not be supporting the amendment. In fact, I do not support the whole concept of paying people to conceive and giving them a few dollars. Then, as some of the speakers have said this morning, you have to run a good economic agenda to provide the services that the public will demand when we are paying people to have children who may not, in some cases, have the capacity to have children. If we are going to start to develop a nation where the state will pay for everything, we really do have to consider some of our options in these vote-grabbing programs such as the baby bonus.

One of the Liberal Party speakers who spoke a moment ago raised the high cost of living in Sydney and referred to ‘Rudd’s rich’ as being those people who receive over $150,000 income. To suggest that a family with that sort of income would require a payment to conceive a child I think is offensive.

There is absolutely no doubt that there are many people who are more attracted to the cash than the care of their young people. When these arguments are put out that we need money, we need to run a good economic agenda so that we can provide services to those in our community less fortunate than ourselves. Many of those less fortunate are going to be conceived for this ill-conceived $5,000 payment for sex—a payment to conceive a child for the nation. I happen to think that parenthood is a bit bigger than that. If people need to be encouraged by cash to have a child, they should not be having a child in the first place. I would urge the government to look at this policy in the future. There is no substantive evidence that suggests that it is doing anything to the fertility rate anyway. We have spent over $4 billion on this thing—$4 billion on a crazy piece of policy. The former Treasurer, Peter Costello, said that this was going to have an impact, that it was going to increase the fertility rate. I think the new government needs to keep an eye on that and, if it is not doing it, get rid of it. Get rid of it because of the false premise on which it was set up. I think the more important issue is: what is happening to some of these children that are being conceived because of cash? What is happening to them? What are their circumstances?

I would like to read into Hansard some comments made in the Northern Daily Leader on 7 May 2008. This was prior to the budget. I as the local member suggested that the government should scrap the baby bonus. This was prior to the budget. The article says:

Tamworth Area Multiple Birth Association (TAMBA) president and mother of four, Jenny Taggart said while there was no doubt the $5000 bonus could help with expenses associated with the birth and care of a newborn, a blanket baby bonus often did not meet the needs of the community.

“A one off payment of $5000 at the birth of a child neglects to take into account that the child will be under their parents’ care until they are a teenager, or longer,” she said.
At the very least means-testing—
and she is supporting what the current government is doing, in this sense, I guess—
would be a step in the right direction—but the administration costs involved—
and this is part of what the opposition has been saying—
would probably render this option impractical.
That was the Tamworth Area Multiple Birth Association. The Tamworth Family Support Service—and we have all got these sorts of support services in our electorates; they are the people that pick up the pieces when things go wrong and people need help—said this:
Tamworth Family Support Service ... manager Belinda Kotris agreed the money would be better spent on new parent support services.
Ms Kotris supported Mr Windsor’s called to abolish the bonus.
“We are seeing parents that may otherwise not consider having children do so because of the financial incentive,” she said.
“As many parents would tell you it cost a lot more than $5000 to raise a child—but for some families that is more money than they would ever have seen in their lives.”
Ms Kotris said that the TFSS had heard of a number of cases where the Baby Bonus money had been spent on consumer items with nothing left over for the baby.
And when questioned, she said:
“Yes, this includes plasma TVs.”
Here is an important point, I think—the whole thing is an important point:
Given it costs $260 for a young girl to travel to Newcastle for an abortion as against $5000 bonus for having the baby it was not surprising that there had been an increase in teenage pregnancies, Ms Kotris said.
The cost of a termination is not reimbursed by Medicare.
I think there are a number of interesting points in what we are actually doing with this particular bonus and the messages we are sending to young people—the messages that seem to be swinging across this chamber in recent months as well. We hear the message from time to time that the world is overpopulated. Some people even suggest that because of the way the Murray-Darling system is now Australia is overpopulated—that is, we are putting pressure on our resources. Some are suggesting that we have got to do something about our carbon emissions because of the way in which an overpopulated world is impacting on itself. Some are suggesting that we have to double food production—that we have to suddenly open up the north of Australia so that we can feed others in other parts of the world who cannot feed themselves. So there is this range of mixed messages, and this absurd piece of populism crept into this parliament, where we pay people to have babies.
I am not opposed to helping caring parents and assisting them in a range of areas, but this is not the way. It encourages some who do not particularly care about parenthood, who have not really thought about it but who can see a sum of money—a quite large sum of money; in this case, $5,000—on offer. If we are serious about sending messages—and we had a debate yesterday and last night about partners and parents and gays and others—about the morals of social policy, we should address what I would say is an immoral piece of social policy. It was based on a false premise in the first place and is actually being abused by some people in our community.
I know the government has moved in some cases to make the payments weekly or monthly so that the total amount cannot be spent down the pub or on the poker machines at the local club, but there are an enormous number of people out there as well—and we all know them; we see them in our electorates—who are not under that regime at the
moment. To enter that weekly or monthly arrangement they have to have been assessed under certain criteria, which might be in relation to drug taking or previous misdemeanours within the community. I oppose the baby bonus totally. I will not be supporting the opposition’s amendment on this means testing arrangement. I think the precedent we would be setting by suggesting that people earning over $150,000 should be paid to conceive another child is a disgraceful one and should be removed from the policy pages.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (10.37 am)—I will be very brief. I would like to thank the member for New England for his contribution and I commend the bill to the House.

The DEPUTY SPEAKER (Mr S Georganas)—The original question was that the bill be now read a second time. To this the honourable member for Warringah has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mrs BRONWYN BISHOP (Mackellar) (10.39 am)—by leave—At the request of the member for Warringah, I move:

(1) Schedule 3, page 20 (line 2) to page 23 (line 24) - Opposition to oppose.

(2) Schedule 5, page 32 (lines 2-13) - Opposition to oppose.

I point out to the House that these amendments relate to the sections of the bill relating to the seniors health card and to the eligibility for partner service pension. The use of the TFN—tax file number—is a backdoor method of monitoring payments and income for seniors received and is done to ensure that they are within the income test. The financial impact on individual seniors, if they lose it, is not measured in the bill and does not take into account the fact that, because seniors are eligible for the seniors health card, they are entitled to other Commonwealth and state benefits ranging from cheaper medicines to cheaper services. If they lose that card, they can lose other benefits. And if the changes to the adjusted taxable income definition later apply to the card then this will have a significant impact on many self-funded retirees who will no longer be eligible for that card and the added benefits. The possible cancellation of the card should cardholders not provide their TFN within 28 days is not a reasonable time frame and the government needs to clarify what it means. Indeed, this amendment would simply have the effect of deleting from the bill those sections which would in fact penalise seniors who are currently holders of that card.

The second amendment relates to schedule 5, page 32 of the bill, lines 2 to 13. Again, opposition to this, as expressed in the amendment, will have the effect of deleting the provisions from the bill that raise the age limit for a male spouse of a veteran to 60 and from 50 to 58½ for a female spouse. As I said in the second reading debate, this is totally unreasonable and the wording that is used by the government—that this will bring it in line with social security—is an attack on veterans. The opposition stands very firm on the principle that veterans entitlements must never ever be considered to be welfare payments, and any idea in the language of this
bill that we are bringing things ‘in line’ with welfare payments is an insult to veterans. From our point of view, the nation has a contract with our veterans: because they serve the nation in uniform, we say, in that contractual sense, we will always look after them through the Department of Veterans’ Affairs and we will not take away entitlements, which we are doing in other parts of the budget. There is an underlying subtle attack on veterans that underlines the whole of this budget process. These two amendments will delete from the bill, if we are successful, the provisions that will raise the age limit for spouses of veterans to receive the service pension. As I said in the second reading debate, in one hit the time they will have to wait for an entitlement goes up by 8.5 years—nearly a decade. If this bill is passed, they will have been entitled earlier. Of course the seniors health card is valued enormously by seniors in our society.

As I have said all along, this government talks continually—every sentence it utters—about working families. Well veterans and other seniors who are retired fall outside its definition. This is a government that only works for one section of the community and leaves seniors and veterans out in the cold.

Mrs BRONWYN BISHOP (Mackellar) (10.44 am)—The parliamentary secretary simply restated what the bill will do with regard to veterans. The position is indefensible; I understand why he gave no defence.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (10.44 am)—I respect the fact that the member for Mckellar has a far longer period of service in this parliament than I do, but we will be indicating our opposition to her amendments by the vote, and that act will speak for itself.

Question put:
That the amendments (Mrs Bronwyn Bishop’s) be agreed to.

The House divided. [10.49 am]

(The Deputy Speaker—Mr S Georganas)

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AYES
Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (10.57 am)—by leave—
I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Mr HOCKEY (North Sydney) (10.58 am)—I rise to speak on the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008. Australia has arguably one of the best systems of pharmaceutical delivery in the world. After several innovations over the life of the coalition’s time in government, we can say that Australians have access to the very best available medicines and that they are safe and of the highest quality. We also have one of the lowest cost medicine systems in the Western world. The coalition has a proud history of working with industry to ensure we bring the best and most advanced medicines to market in a timely fashion and at a low cost to Australians. This amendment will allow the government to charge fees for services provided by the Pharmaceutical Benefits Advisory Committee, PBAC, and related services performed by the Department of...
What is proposed is that fees will be charged to drug companies which make an application to the PBAC. Pharmaceutical companies already pay fees to the Therapeutic Goods Administration to test the efficacy and safety of new drugs that they wish to bring to market. This amendment will extend the cost recovery structure so that pharmaceutical companies will now also contribute to the costs incurred by the PBAC in its role in advising the minister as to which drugs should be listed on the Pharmaceutical Benefits Scheme.

Full cost recovery of the PBS was considered by the coalition in government last year and in 2005. However, for a very good reason, it was never introduced: there were definitely problems with its implementation. Consultants called in by the Department of Health and Ageing identified potential problems with the fees based proposal and suggested other methods be considered. It was felt that fees alone would create an environment where the sponsors of generic medicines could potentially receive a free ride. Concerns were expressed that an unfair financial burden would be passed on to pharmaceutical companies seeking to list a medicine for the first time or to change a listing. This had the potential to stifle new products and innovation.

I note that, during debate on changes to the PBS, introduced by the coalition in May 2007—in which the PBAC cost recovery was not included, I might add—the now Minister for Health and Ageing expressed strong opposition to the proposed scheme of PBAC cost recovery. On 31 May 2007, the minister—at that time the shadow minister—said:

The PBAC needs to be independent of government and of industry, and we cannot see the justification for this move to the cost-recovery model. I have asked the government to reconsider this approach given the risk to the independence of the PBAC..

That was the member for Gellibrand on 31 May 2007. The member for Gellibrand, who is now the Minister for Health and Ageing, is now doing a complete backflip and is seeking to use this as a revenue raiser in the budget. How policies change to suit the agenda! Here we have a government desperate to pull back on its budget spending spree.

The member for Gellibrand was concerned about the independence of the PBAC a year ago but obviously not today. The member for Gellibrand expressed some apprehension that, if pharmaceutical companies were to pay for their own consideration on the PBAC, the process of achieving PBS listing could not be said to be an arms-length process. The member for Gellibrand has changed her tune today. This was the very concern expressed by the then AMA president Mukesh Haikerwal. He acknowledged that the TGA, which is also involved in regulating new pharmaceuticals, does employ cost recovery strategies. However, the TGA looks only at safety and efficacy data for any given drug. It does not look at subsidising the drugs through the PBS. It is a very important difference. There are concerns that having a user-pays system will have the effect of making a public body financially dependent on the industry it is supposed to be regulating.

In October, Professor Christopher Nordin AO, who is a visiting professor at the University of Adelaide and a consultant physician at the Royal Adelaide Hospital, told ABC radio:

The influence of industry on the PBAC is bound to grow as it pays an increasing proportion of the running costs.

We have to ask the Minister for Health and Ageing how she has managed to put these concerns to rest. It has certainly not been by
raising her concerns with the industry, including Medicines Australia, the peak body representing pharmaceutical benefits companies. In fact, it was a complete surprise to Medicines Australia when the cost recovery measures appeared in the budget on 13 May. True to form for this new government, the first time the industry learned of a government decision—in this case to introduce cost recovery—was six weeks before its proposed start date of 1 July 2008. Medicines Australia are particularly concerned about the financial impact on their member companies. The cost to make a submission to the PBAC will be just shy of $150,000. These costs will come in on 1 July this year. These significant costs are being sprung on the industry with a mere six weeks notice and without any consultation and any adequate warning. Without having set aside funds for these fees, they will either come out of general revenue, where possible, or we will simply see the delay of presentation of many pharmaceuticals to the PBAC until such time as the fees can be allocated. This will particularly affect drugs for smaller patient populations.

The financial year for pharmaceutical companies runs from January to December mainly, meaning these new costs will begin midway through a financial year. They have not been able to budget for such massive cost increases. It is easy to see the pharmaceutical industry as a cash cow. However, these companies are already facing major price cuts from 1 August as a result of PBS reforms passed through the House last year by the previous government. The pharmaceutical industry in Australia has already seen three manufacturing plant closures announced in the past year alone at a cost of some 500 Australian jobs. The industry in Australia has fierce global competition. What it needs are signals from the government that encourage, not discourage, investment in Australia by their global head offices.

This lack of consultation and the lack of advice, or the ignoring of advice, is becoming a bit of a theme with the government. It seems that the Prime Minister has taken policy advice from Star Command instead of seeking input from the key bodies, departments or anyone else that has some expertise and can contribute in a meaningful way. Far too many questions and concerns remain unanswered. There has been insufficient consultation on how cost recovery will be implemented and insufficient time given for the industry either to prepare for this introduction or to be able to pay for it, and concerns about the independence of the PBAC have not been sufficiently allayed. We will be referring this bill to a Senate committee to ensure industry and other consultation takes place because no consultation has taken place and so far—and I would be very happy to stand corrected—the minister has not provided answers. Maybe the parliamentary secretary can provide answers. The minister was on the record as saying one thing last year but now that she has become the minister she is saying something entirely different. I think the minister owes an explanation to the House, to the Australian people and to those people who are very concerned about the impact of having pharmaceutical companies pay for their own regulator.

**Ms NEAL (Robertson) (11.07 am)**—I rise to speak on the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008, which introduces a number of amendments to the Pharmaceutical Benefits Scheme. The bill before the House today amends part VII of the National Health Act 1953. The Pharmaceutical Benefits Scheme has operated successfully for almost 60 years in Australia. It is a mechanism that brings access to affordable quality medicine to thousands of working families in Australia. The PBS is regarded around the world as one of the fairest and most equita-
ble systems for the delivery of affordable medicine. The Australian health system has its problems, but I am extremely proud of it when I compare it with some of the extremes around the world, schemes that either do not provide proper health care or provide health care at a great cost, such as in the US. True health care is not universally available, and I am very proud that here in Australia we provide health care at an affordable level. Medicare, coupled with the Pharmaceutical Benefits Scheme, is the true basis of that.

The Pharmaceutical Benefits Scheme is not only a scheme that provides affordable pharmaceuticals; it is quite a flexible scheme. I wish to congratulate the Minister for Health and Ageing on her response in this budget to the request by a number of type 1 diabetes sufferers, particularly young people, that the insulin pump be put on the PBS. I was thrilled and excited to see that the minister, in her warm-hearted way, was able to respond to that request and to provide that item on the PBS. I had the pleasure of having a delightful young girl, Lauren Espedido, visit me in my electorate. She suffers from type 1 diabetes and, along with her parents, she explained to me the real need to be able to access the insulin pump and for it to be affordable. If you have to pay for it entirely yourself, it costs approximately $8,000, I am informed, which is obviously out of the reach of many working families. The family put their case to me and I passed on those views and made a representation to the minister, along with a number of other people in the community and in the parliament, and I was thrilled to see that the minister was able to include that request in the budget provisions. I, and also on behalf of the Espedidos, wish to express a very heartfelt thank you to the minister for that positive and quick response.

The Minister for Health and Ageing described the PBS in her second reading speech as an ‘efficient, transparent and predictable system for industry and the supply chain’. It is also a system that provides significant benefits for consumers both in terms of reduced prices for pharmaceuticals and in the simplicity of its use. The unique feature of the scheme is that PBS subsidies are delivered directly to the users at the point at which they purchase the medicines they require. The PBS is a much valued part of the Australian healthcare delivery infrastructure. Over the nearly six decades of its existence, the scheme has attracted significant government expenditure to keep it viable and relevant to the changing needs of Australian society. But there is a concern: the PBS rises on average at a rate of 4.6 per cent. So, unless we are careful, unless we take care to make the necessary adjustments, the cost of the scheme will mean that it is no longer viable and we cannot continue to provide it to the Australian community. So constant adjustments, sometimes minor in nature, are necessary to ensure that the scheme continues to operate effectively and is viable.

In 2006-07 government expenditure on the PBS was approximately $6.4 billion. It is expected that around $7 billion will be invested in the PBS this year. While this represents a large amount of government expenditure, the PBS has been shown to deliver significant benefits to the Australian community. In my opinion, as the PBS is part of our universal health care it is money well spent. The provisions in the current bill will enhance access to the PBS entitlements for many Australians and strengthen the scheme as a whole.

The bill proposes four minor amendments to the National Health Act 1953. Schedule 1 expands the criteria for determining that brands of pharmaceutical items are comarketed and provides that the minister may determine that comarketed brands cease to be comarketed. Schedule 2 provides for peo-
people who are otherwise eligible for pharmaceutical benefits to access those benefits while working outside Australia as officers of the Commonwealth or of a state or territory—and, of course, for their accompanying spouses and dependent children. Schedule 3 allows legally married and de facto couples living apart permanently due to illness or infirmity to use PBS safety net arrangements jointly as if they were living together. It is very unfortunate that up until now elderly couples, perhaps married for 30, 40 or 50 years, have been treated, in their minds, as not married if one of them becomes ill or has to enter a nursing home. Many people find that, as well as the financial impact, extremely distressing. Schedule 4 makes minor changes to two PBS related definitions and removes provisions for the gazettal of determinations made in relation to pharmaceutical benefits that may be prescribed by participating dental practitioners and authorised optometrists.

Safeguards currently built into the PBS guidelines affect the ability of Australian government officers to obtain supplies of PBS medicines when working outside Australia. Accessing medicines in some overseas locations may be difficult or uncertain. In some places where officers are sent to perform duties for an Australian government, the range and quality of medicines available locally may not match those of medicines available through the PBS in Australia. In addition, the supply of medicines and their quality may be unreliable or medicines may only be available at a high cost.

Schedule 2 of the bill, as I have outlined, proposes amendments to the act which will allow people who are otherwise eligible for pharmaceutical benefits to access those benefits under the PBS while they are working outside Australia. This provision will provide great assistance to such officers and their families. The present prohibitions on export of PBS medicines for or to other persons outside Australia remain in place. The new arrangements do not cover people working overseas for private companies, studying overseas, providing services as an independent contractor to governments, conducting personal business, travelling as tourists or living overseas permanently. The changes to the eligibility criteria are limited in scope and do not allow broad access to the PBS for people outside Australia. Several Commonwealth departments have been seeking these changes for some years. It is estimated that around 3,000 people will be eligible for this extended assistance.

I want to say a bit more about the safety net for couples living apart. This provision will allow legally married or de facto couples living apart permanently due to illness or infirmity to use the PBS safety net jointly. The PBS safety net provides that families can combine certain PBS charges toward a joint safety net tally. After the threshold is reached, all members of the family benefit from reduced charges for PBS medicines required for the remainder of the calendar year. The act defines who is a member of a person’s family for PBS safety net purposes. As currently defined under the act, when a couple are living apart on a permanent basis, they are deemed not to be members of the same family for the PBS safety net. A separate safety net is used for each person, together with each person’s dependent children. This rule also applies for couples living apart permanently due to illness or infirmity. This means that the PBS contributions required to reach the safety net threshold for both persons may be double that required if the couple were living together.

Schedule 3 amends the act to extend the definition of family for PBS safety net purposes by amending the definition of spouse. Under the amendment, members of a legally married or de facto couple living apart per-
manently due to illness or infirmity are not taken to be living separately on a permanent basis. This will result in the members of such couples being entitled to safety net benefits in the same manner as if they were living together. PBS payments will be able to be combined toward the same safety net tally and a reduced copayment rate will apply for both persons when the threshold is reached. This will benefit such couples by potentially reducing PBS outlays to reach the safety net by up to 50 per cent.

These important amendments will provide significant financial relief and appropriate recognition to eligible couples struggling to afford these medicines. There is no good reason why people living apart as a result of illness or infirmity should not have their marriage recognised through this legislation. This is a matter of fairness and equity of access to the entitlements of the PBS.

Taken together, these new arrangements will help strengthen the PBS. As I mentioned earlier, the success of the PBS is that the subsidies, which allow access to reduced prices for pharmaceutical medicines, are provided directly to the consumers at the point of purchase. Families will be assisted greatly by these new measures, especially couples living permanently apart. The modest costs involved—approximately $300,000 a year to provide PBS entitlements for families of officers working overseas, and approximately $1.1 million per year for amendments extending PBS entitlements to couples living apart—are but a small fraction of the total PBS expenditure, which, as I said, is expected to be $7 billion this year.

The cost of these measures to the public purse is far outweighed by their contribution to the public good. These amendments are a clear demonstration that the Rudd Labor government recognises the importance of the PBS in maintaining the health of Australians. Affordability, equity and access with regard to quality pharmaceutical medicines are vital to this goal. The bill before the House today delivers on these objectives. I commend the bill to the House.

Dr WASHER (Moore) (11.19 am)—I rise to discuss the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 and the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2008. The previous government undertook an extensive period of consultation to introduce the most far-reaching reforms of the Pharmaceutical Benefits Scheme in its 60-year history. All members will know that this is the 60th anniversary of the Pharmaceutical Benefits Scheme, a very important year.

The consultations involving the reforms were far-reaching and sought to deliver a five-year transition towards a more transparent process for the pricing of all medicines, particularly those coming off patent. There are a considerable number of medicines coming off patent in the next few years, and globally we are experiencing a significant drop in the price of patent medicines. Not only do we have one of the lowest cost medicine systems in the world; we certainly have one of the best systems of pharmaceutical delivery. There is no doubt that Australians have access to the very best available medicines that are safe and of high quality. The previous government delivered far-reaching reforms in consultation with all sectors of the pharmaceutical industry. These reforms delivered an estimated $580 million over four years and $3 billion over 10 years of savings to the taxpayer.

This amendment will result in a significant charge being levied for each and every application to the Pharmaceutical Benefits Advisory Committee, or PBAC. These charges will be levied the research based
pharmaceutical companies, the exact same companies consulted by the former government when it introduced PBS reforms—reforms that the now Minister for Health and Ageing disagreed with in opposition and now embraces in government.

The fees proposed will be charged to pharmaceutical companies who make an application to the PBAC to have their drugs listed on the PBS. The PBAC advises the minister of drugs that should be listed on the PBS. The companies already pay fees to the Therapeutic Goods Administration, or TGA, to test the efficacy and safety of new drugs made available to the Australian market. Medicines listed on the PBS ultimately benefit the consumer in the community.

Full cost recovery was considered by the coalition government in 2005 and again last year. It was never introduced for very good reason, as problems with this fee based proposal were identified by consultants summoned by the Department of Health and Ageing. A number of problems were identified, such as sponsors of generic medicines having a potentially easy ride compared to the heavy costs carried by companies seeking to list a medicine for the first time or change a listing. This would inhibit new products and innovations—a tragedy for the Australian consumer.

In May 2007 the Minister for Health and Ageing opposed any proposed scheme of PBAC cost recovery, stating:

The PBAC needs to be independent of government and of industry, and we cannot see the justification for this move to the cost-recovery model. I have asked the government to reconsider this approach given the risk to the independence of the PBAC...

I agree with the minister’s position of May 2007 when she stated there was no doubt that a conflict of interest, real or perceived, would exist if the cost recovery measure was enacted.

The user-pays system will make a public body, the PBAC, financially dependent on industry, which it is supposed to regulate. The influence on the PBAC by industry will undoubtedly grow as industry pays for the running costs of this previously independent body. Industry itself has had six weeks warning of this decision, as it was announced in the 13 May budget with a proposed start date of 1 July this year. As the member for North Sydney emphasised, industry has had no way of budgeting for the cost of presentation to the PBAC, which will possibly be as high as almost $150,000 for a submission. There is no doubt that this will affect drugs with a small patient population. For many industry groups, this may result in possible delays in presentation of pharmaceuticals to the PBAC. Companies are already facing major price cuts, which will be introduced from 1 August 2008, as a result of PBS reforms from the coalition last year. This will, again, add to cash flow problems.

The pharmaceutical industry in Australia suffered three manufacturing plant closures in the last year alone, costing approximately 500 Australian jobs. We must now encourage investment in Australia from those industries with a global head office and not discourage it by these measures. Too many uncertainties exist and there has not been sufficient consultation or appropriate time frames undertaken with industry, nor have concerns about the independence of the PBAC been addressed. This bill should be referred to a Senate committee to ensure consultations with industry and others occur.

Mr DREYFUS (Isaacs) (11.25 am)—I rise in support of the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008. This bill amends the National Health Act 1953
and provides authority for the Commonwealth to recover costs for the listing of medicines, vaccines and other products or services on the Pharmaceutical Benefits Scheme and the designation of vaccines to the National Immunisation Program. The Pharmaceutical Benefits Scheme is very important to the people of Australia. Along with Medicare and public hospitals, it forms a cornerstone of our public health system. We should recall that the Pharmaceutical Benefits Scheme itself was one of the great social reforms of the Chifley government when it was established in 1948.

When we have visitors to this country from overseas and when Australians are overseas themselves we often hear comments from people from other countries about the importance of the Pharmaceutical Benefits Scheme and the benefits that it provides in every sense to the people of Australia. This scheme is the envy of many countries across the world in the way in which it is able to provide for the health of Australians. It is a scheme that seeks to do so at the lowest possible cost to government and to consumers. It is by subsidising the cost of medicines that we ensure that all Australians have access to the medicines they need. It is a scheme which recognises that the ability to live one’s life with access to essential medicines is, for very many people, crucial to the quality of the life that they are able to lead.

The Pharmaceutical Benefits Scheme is, in a real sense, a key part of our social safety net. It is a key part because it provides protection for Australians very often at the time of greatest need in their lives. For those with a long-term need for medication, those with chronic diseases, the existence of the scheme means that they are relieved of significant costs and permitted to enjoy a quality of life that they would otherwise not be able to. For those who suffer from acute illnesses, the Pharmaceutical Benefits Scheme ensures that, during times of serious illness, they are protected from extreme costs that might otherwise be visited on them.

This bill will provide power for the making of regulations—subject, of course, to parliamentary scrutiny—for the recovery of costs in the Pharmaceutical Benefits Scheme. It is broad in scope in the regulation-making power that it confers in allowing for regulations to cover: the administration processes surrounding the making of submissions; the prescribing of fees; the timing and manner of payment of fees; penalties and refusals to provide services for late and nonpayment; exemptions from fees and the waiver, remission and refund of fees; and the review of administrative decisions made in relation to cost recovery. Of course, it is very important that there be such a review process to challenge, or at least provide the opportunity to challenge, administrative decisions.

The benefits of the Pharmaceutical Benefits Scheme listing for pharmaceutical companies start with the fact that, subject to regulatory approval, companies would be free to market their goods without PBAC or NIP listing. For pharmaceutical companies, the decision to list is a commercial decision. They generally seek to list in recognition of the commercial benefits that will arise from listing in the scheme. Listing provides a high level of commercial certainty for pharmaceutical companies. It is worth bearing in mind the overall cost of this scheme. To give some indication: in 2006-07, the top 20 pharmaceutical companies shared a total of $4.46 billion from the Commonwealth via the PBS subsidy.

Cost recovery, which is the system that is here proposed, is a system that is in use in many areas of Commonwealth administration. We know from a situation that arises in my former professional area, the court system, that it is well recognised that it is ap-
appropriate, particularly for the commercial litigation area, to seek to recover the cost to the public system of providing the service that is utilised by commercial enterprises in having their litigation and disputes resolved through the public system. The Therapeutic Goods Administration has a cost recovery process and it has found, as have other areas of Commonwealth administration which use cost recovery processes, that there has not been any loss of independence bound up in using a cost recovery process. What is proposed here for the Pharmaceutical Benefits Scheme will certainly not undermine the independence of the Pharmaceutical Benefits Advisory Committee, nor will it jeopardise the integrity of the listing process. PBAC will not be dependent on pharmaceutical industry funding, and what is proposed will not change the process of having medicines made available under the PBS or the NIP. The government will continue to provide direct funding for all Pharmaceutical Benefits Advisory Committee activities, PBAC will have no role in the setting or collecting of fees, and any revenue collected will be paid into consolidated revenue. It is important to note that the fees are not taxation and certainly will not affect Australians who rely on the Pharmaceutical Benefits Scheme.

There will be benefits to government and, through that, to the community, in that the PBAC process is a costly process. Taxpayers currently bear the costs of listing, despite there being very substantial commercial benefits for companies who are seeking listing. There will be substantial revenue raised through the use of this cost recovery system. It is anticipated that, in the first year of operation, this will be in the order of some $9 million, rising to about $14 million in the following year.

It is a simple system designed to ensure that those who are in a position to gain financial benefit from listing will cover the costs that are currently borne by the taxpayers. I commend the bill to the House.

Mrs ELLIOT (Richmond—Minister for Ageing) (11.34 am)—The National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 amends the National Health Act 1953. This is to provide authority for the cost recovery of services provided by the Commonwealth in relation to submissions or amendments to the listing of medicines, vaccines and other products on the Pharmaceutical Benefits Scheme and the National Immunisation Program. These amendments ensure that applicants, mostly pharmaceutical companies, may be charged fees when they seek services provided by the Commonwealth in relation to the exercise of a power by the minister under section 9B of the act, relating to the designation of a vaccine on the National Immunisation Program, or a provision in part VII relating to listings or a change to listings for a medicine or other product on the PBS.

The cost to the government of providing subsidised medicines and fully funded vaccines to the Australian community is significant. In 2006-07, the Commonwealth paid more than $6.4 billion to approved pharmacists, hospitals and medical practitioners for the subsidised supply of medicines under the PBS. A further $280 million was provided by the Commonwealth to the states and territories for the fully funded supply of vaccines under the National Immunisation Program within their respective jurisdictions.

Australian pharmaceutical manufacturers and distributors with medicines or vaccines listed on the PBS and the National Immunisation Program receive considerable financial benefits from the supply of their products to the Australian community. For exam-
ple, in 2006-07, the top 20 pharmaceutical companies by total cost of payments each received an average of $223 million from the Commonwealth via a PBS subsidy.

The government was in opposition when the previous government sought to introduce cost recovery of services associated with listing on the PBS and the National Immunisation Program. At the time, we shared some of the reservations of some stakeholders about the previous government’s proposal, in particular the possibility that the independence of the Pharmaceutical Benefits Advisory Committee, the PBAC, could be threatened. However, in the model reflected in this bill, the independence of the PBAC is guaranteed. The expertise, integrity and sense of propriety that PBAC members bring to their task will not change as a result of the cost recovery. The PBAC will continue to provide expert advice on medicines independent of government and industry. Cost recovery will not affect the structure or the operation of the PBAC, nor will it compromise the independence of the committee’s decisions.

There are notable examples of agencies, such as the TGA, which regulate in the public interest, where that regulation necessarily results in commercial gain and where cost recovery has been implemented successfully and without a loss of independence. Revenue from PBS cost recovery will depend on the number and type of submissions brought to the PBAC for consideration.

Once the legislation is fully operational, annual revenue from fees is expected to total around $9 million in 2008-09, rising to around $14 million in the following years. The government is committed to ensuring that there is a due process to ensure that fees are levied in a fair and equitable way. Therefore, the regulations will also provide for the review of administrative decisions made in relation to cost recovery. In consultations, there was broad agreement on a simple internal dispute resolution mechanism of negotiation between the parties. It is important to note that the Australian community, beneficiaries of the PBS, will not be required to pay any extra for PBS medicines or vaccines. I thank all the members for their contributions to the debate on this bill.

Question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Third Reading
Mrs ELLIOT (Richmond—Minister for Ageing) (11.38 am)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS SCHEME) BILL 2008

Second Reading
Debate resumed from 29 May, on motion by Ms Roxon:
That this bill be now read a second time.
Mr HOCKEY (North Sydney) (11.39 am)—The National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2008 makes a number of minor changes to the Pharmaceutical Benefits Scheme, which I will talk about in a moment, but there is something else I want to address. I note that the debate on the previous bill was also about the Pharmaceutical Benefits Scheme, and I want to take this opportunity to talk a little bit about the history of the PBS, because there are some arguments about whether it is 60 years old—and it certainly is 60 years old this year if it was introduced in 1948, as the member for Isaacs talked all about a little bit earlier—or if, in fact, it is a little bit older than that.
I thank the Parliamentary Library for this research, although I might ask them if they would be good enough to update their overview of the PBS. It appears that the PBS has a very rich history. It goes back to 1919, when the Repatriation Pharmaceutical Benefits Scheme was established to provide free pharmaceuticals to ex-service men and women after World War I. That is when the PBS, arguably, had its very first activities and its genesis. There were agreements made between various Australian pharmaceutical societies to provide necessary medications for veterans of both the Boer War and the First World War.

In 1944, the then Curtin government attempted to introduce free pharmaceuticals through the Pharmaceutical Benefits Act. Benefits were to be restricted to medicines listed in the Commonwealth Pharmaceutical Formulary and were only to be granted on the presentation of a prescription written by a doctor on a government form. However, it is interesting to note that the Australian branch of the British Medical Association—I assume that the AMA did not exist at that time—challenged the act and that the High Court subsequently declared that the act was unconstitutional because the Commonwealth did not have the power to spend money on the provision of medicines. Then, in 1947, a new Pharmaceutical Benefits Act was passed, to the credit of the then Chifley government. However, there was ongoing resistance from the medical profession. I have not got the information on why they were so opposed, but I can only speculate that they were concerned about government regulation of an industry that had previously been unregulated. Again the BMA challenged the act, and again the High Court found the 1947 act unconstitutional. There were various challenges around at that time.

However, during 1948 remote health establishments such as bush nursing centres were approved as hospitals under the Pharmaceutical Benefits Act for the purpose of applying pharmaceutical benefits to geographically isolated communities. Basically, over the years there were further pieces of legislation: in 1951 the National Health (Medicines for Pensioners) Regulations under the National Health Service Act 1948-49; and the establishment of the Pharmaceutical Benefits Advisory Committee, the PBAC, which exists today, in 1953 under the Menzies government. Then, really, the Pharmaceutical Benefits Scheme as we know it today was introduced on 1 March 1960. We can all argue about it, but it appears as though at the end of the day there was bipartisan support for the creation of the PBS, and I think that is a good thing given that it is such an integral part of the health system overall. But, of course, it was the Menzies government, on 1 March 1960, that introduced a copayment of five shillings. The irony is that, when they introduced a copayment of five shillings in 1960, the number of prescriptions increased from 24.6 million to 60 million within eight years. So it defies a lot of the common sense of this place that if you apply a fee, you actually have a reduction in usage. The Menzies government applied a fee in relation to the PBS, and usage almost tripled within eight years.

Over the years the PBS has grown significantly in expenditure. In the 1991-92 financial year the expenditure on the PBS was $1.11 billion, by 2001-02 it was $4.18 billion. So in a period of 10 years it has increased fourfold. What is really important is that the Pharmaceutical Benefits Scheme as a whole is recognised, at times grudgingly, by international analysts as one of the best—if not the best—pharmaceutical support schemes in the world. In part that is because it is bipartisan—and there is a lot of merit in that—but it is also because we, as a collective in this place, believe that you have to be
prepared to provide support to people that need it. This goes to the heart of why we are members of this chamber and what we believe in as Australians, which is the provision of an appropriate safety net for the whole population but specifically for those people who are most in need of support.

The PBS continues to serve the Australian people very well. Drugs are accessible; drugs are properly tested; and, for Australians, the drugs are affordable. There will always be debates about whether a drug should be listed. Pharmaceutical companies and various interest groups will always mount an argument for a new drug. One of the hardest decisions that the cabinet and the government have to make is whether you do list a drug.

When I was in the cabinet, the most difficult decisions were often about whether you would allocate an extra half a billion dollars to a specific drug that alleviates pain for people suffering chronic illness maybe for two or three years. It gives them an extra 12 months or two years of life expectancy in less pain than they might otherwise have endured. But do you spend that half a billion dollars on research to find a long-term cure or do you spend it on a drug that alleviates pain? Ultimately, that is one of the reasons that big decisions have to be made by the cabinet.

I have great sympathy for members of cabinet, be they Liberal or Labor, who have to make those decisions. I always found them the most difficult ones. The Australian common-sense test says that you do everything you can to help a fellow Australian—or any human being for that matter—who is suffering pain. Knowing that there is a drug there that can alleviate pain and potentially save someone’s life and it is only a question of money makes the decision very difficult to make. However, I respect the fact that cabinets do have to make those sorts of decisions. They are cabinet decisions. One reason why these decisions are made ultimately by the cabinet is that they do deal with often life-and-death situations or, certainly, as a minimum the massive alleviation of pain. However, overall you must say that over the time of Liberal, National and Labor governments the right decisions have been made.

Today appears to be the 60th birthday of the Pharmaceutical Benefits Scheme. I am sure historians can find some way of arguing it over a long period of time. Historians are like economists: they have lots of different views—the difference is economists often project what is going to happen and historians reflect on what is happening. But one thing is for sure, they never agree with each other—thankfully. Having said that, the PBS is a very good scheme. It is one that we can be proud of as a nation. The fact that there are continuing changes to the PBS only enhances it generally, in my view. In relation to this bill, which deals with a number of minor changes, there is no opposition from the coalition. From 1 July 2008 you will pay up to $31.30 for most PBS medicines or $5 if you have a concession card and the Australian government will pay the remaining costs. In some cases that is hundreds of thousands of dollars. I know one of the great challenges that the previous government had was trying to have cost transparency on the bottle or the drug packet. I do not think we quite got there in toto, but I hope that the new government continues with that initiative.

One of the initiatives the previous coalition government introduced that I am very proud of was the Pharmaceutical Benefits Scheme safety net, which allows families to pool the out-of-pocket costs for medicines. Once an individual or family reaches a safety net threshold, they can apply for a PBS safety net card and this means all future PBS medicines will be less expensive or free for
the rest of the calendar year. In 2008 the general patient contribution is $31.30 and the general patient safety net threshold is $1,141.80, or about 37 standard prescription items. I recognise that this bill does not in any way undermine the PBS.

I will make one interesting observation. One of the moments when there was a significant expansion of the PBS was after Cyclone Tracy in Darwin. I was only nine years of age at the time that happened. I am almost embarrassed to say that to you, Mr Deputy Speaker Adams, but I was a young'un in 1974. However, I do remember Cyclone Tracy—it was a catastrophe of sorts—on Christmas Day in 1974. One of the things I never realised was that, after Cyclone Tracy hit Darwin, a vast amount of pharmaceuticals had to get up to Darwin to address the potential outbreak of disease. The PBS kicked in in a very substantial way at that moment and it illustrated one of the significant benefits of having a very successful Pharmaceutical Benefits Scheme that is able to continue the involvement of international pharmaceutical companies directly in Australia.

The fact that a number of the international pharmaceutical companies have a very significant Australian presence is important for our country because it ensures that they are party to the ongoing challenges of increasing demand for pharmaceuticals in Australia and also that they have a ready domestic supply of pharmaceuticals rather than requiring massive and rapid importation of pharmaceuticals during national emergencies. Also, there is a very significant research element associated with international pharmaceutical organisations in Australia.

Australia might not be the most profitable pharmaceutical market in an international comparison, but it is a constant and growing market place for worldwide pharmaceutical companies. It might not have the growth of India or China, but it does have a constant stream of income and the stability to ensure that those companies can be active players. That is one of the reasons we are concerned about the other legislation which just came through this place about charging pharmaceutical companies for regulation of the industry. We do not want to do anything to cause international pharmaceutical companies to exit the Australian marketplace, but at the same time we must recognise that the size and stability of the pharmaceutical market in Australia and the stability of the PBS are all reasons the scheme works well and international companies continue to participate in the Australian pharmaceutical market.

Ultimately, that will mean better quality, more affordable pharmaceuticals for the Australian community and that is what we on both sides of the House agree on.

Mr NEUMANN (Blair) (11.53 am)—I agreed with the member for North Sydney when he said that parliamentarians in this place have to be prepared to provide support for those need it. I recognise the bipartisanship in relation to this issue. This sort of legislation indicates that there are people of goodwill and compassion on both sides of the House, people who genuinely care for those in need. It is quite extraordinary, when you look at the history of the Medicare system and the PBS, what rancour, contention and division there was in our community over such a long period of time. There was constitutional not just legal wrangling about the PBS. I pay tribute to the Curtin and Chifley Labor governments, the architects and originators of this particular scheme. I also recognise and acknowledge the Menzies government’s contribution. This was a bipartisan approach. It is quite amazing that there were self-interested groups who opposed this.

I have to disagree with the member for North Sydney saying that this scheme is one
of the best systems in the world. I think it is the best system. I have not heard of a better system. I think it is a fantastic system. There would not be a person in this House who has not benefited or had friends or relatives benefit from this scheme.

I support the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2008. It has a number of purposes. It expands the criteria for deciding which brands of pharmaceuticals are comarketed and further, it affords the minister power to determine which comarketed brands cease to be comarketed. When the minister explained to me what this was all about, I thought it was quite amazing. For example, if two drug companies currently manufacture, say, a 250-milligram drug, one called ‘Brand A’ and the other called ‘Brand B’, and if they want to comarket another drug, say ‘Brand X’ in 500 milligrams, they cannot comarket. It is quite extraordinary that this has happened. It is certainly not desirable. We want to make sure that the PBS is efficient and that it works in a streamlined way. Anything that reduces costs or can deliver drugs more affordably to the Australian community would be better.

The amendments in schedule 1 eliminate the necessity that there be no pharmaceutical items containing the same drug. ‘Pharmaceutical items’ was the offensive term. It means that drug companies could comarket at both dosages. That is a practical measure. It also allows the minister to decide when comarketed brands no longer meet the criteria. This may seem esoteric, but it is a good thing. The idea that somehow you can do this by legislative instrument power of the minister means there is no need to amend government regulations and overall the administration of the PBS is more efficient. That is good for all Australians.

Secondly, the supply of pharmaceutical benefits to government officers working outside Australia is very important. Australians do not serve overseas only with the military; they serve overseas in embassies and for aid organisations. We live in a world where other countries are a lot closer than in the past. My grandparents would have thought getting on a plane and going overseas was like going to the moon. It is the case that Australians travel regularly. There would not be too many Australians who do not have passports and travel overseas. Many of them live there. This amendment provides for eligible Australian government officers who are working overseas, public servants serving our country in all manner of places and in all manner of roles, to have access to affordable medicine, just as they would were they living in Australia. Any parent working overseas who has sick children would know that that is a challenge. It would be a challenge for any of us. We suffered that problem when we were overseas—finding a doctor and where the hospital is and getting affordable medicine. It is not just the public servants; it is their spouses and their dependent children, all of whom need access to affordable medicine. This bill solves that problem.

I am aware that Commonwealth government departments have been lobbying for this change for quite some time. I am also fascinated by the fact that it is not just Commonwealth officers who will benefit; state and territory officers will also benefit from these entitlements. Do not ever let states and territories say that we do not do things for them.

Thirdly, there are the amendments relating to couples being apart. Schedule 3 provides that, for the purpose of the PBS safety net, legally married and de facto couples living apart permanently due to illness or infirmity are taken not to be living apart. That is a great reform. It is really quite sad that a lot of
elderly people are forced by illness or infirmity to live apart in circumstances where they do not want that to happen. One might be at home while the other needs full-time care in a nursing home or even in a hostel. They are forced to live apart. This bill overcomes the PBS safety net issues so that they are treated jointly.

It was wrong that these unfortunate couples living separately through no fault of their own—often elderly, frail and pensioners—were not treated the same. Certainly they did not believe they were separated but, for the purpose of the PBS safety net, they were. That is simply wrong, and this overcomes that problem. I am sure that the people in my constituency of Blair will appreciate this.

Prior to coming to this House, six months ago I served on the board of Queensland Baptist Care. We had three aged-care facilities in my electorate and I visited all of them, and I have visited a number of other ones since I have been elected. You see couples living separately and apart. The aged-care sector tries to construct facilities so that people can live together, but it is simply not possible by reason of the need for full-time care. So this brings comfort and help, and anything to aid those people who are suffering from this difficulty is to be commended. The cost is only $1.1 million annually, and I think it is a small price to pay for treating our fellow Australians with compassion, care and kindness in the circumstances.

The fourth amendment is really very basic. It is simply changing definitions concerning combination items for a drug and pharmaceutical items as a drug. It is quite esoteric—I went through it and had a look. The bill provides that henceforth by legislative instrument these things can be changed and certain pharmaceutical benefits can be specified. These pharmaceutical benefits thereafter can be prescribed by dental practitioners and optometrists. The schedule means that wording concerning gazettal of determinations is otiose and therefore can be removed.

To finalise, and I want to speak only briefly about this, this bill will help public servants—state, territory and Commonwealth—to gain access to pharmaceutical benefits, just as their fellow Australians do living at home, when they are serving our country overseas. It will not just help them; it will help their spouses and partners and their children, which is a great thing. It will also mean that we treat our elderly and frail and those who unfortunately have to live apart with dignity and respect. I thank the opposition for their agreement to this bill. I think that it is important we adopt a bipartisan approach not just to Medicare but also to the PBS. I thank the opposition for their willingness to support this bill. I thank the minister for bringing this to the House.

Mrs ELLIOT (Richmond—Minister for Ageing) (12.02 pm)—The Pharmaceutical Benefits Scheme is indeed regarded as one of the best systems of its kind in the world. As we know, it provides affordable access to high-quality medicines for all Australians by subsidising the cost of PBS medicines and delivering them through local pharmacies and hospitals in the community. The PBS safety net ensures that families and individuals who require large amounts of medicines are protected from high cumulative cost. The National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2008 contains amendments to the National Health Act 1953 which, although unrelated, will help to ensure that the PBS remains current and operates effectively for all Australians whether as
One of the amendments improves access to the PBS safety net. It will mean that couples living apart due to illness or infirmity will be able to use the safety net jointly. These couples will be able to combine PBS co-payment contributions towards the same safety net threshold. Both persons will be able to be included on the same safety net card and have access to safety net benefits once the threshold is reached. In effect, the amount of PBS payments required for both members of the couple to reach the safety net will be the equivalent of one safety net threshold, not two. This has the potential to reduce the out-of-pocket cost for PBS medicines for such couples by an amount equal to the relevant safety net threshold amount. PBS medicines required by either person can then be obtained at the reduced safety net rate for the remainder of the calendar year.

This change is essentially a matter of fairness. There is no good reason why people who as a result of illness or infirmity are forced to live apart should not have the same PBS entitlements as other couples. This amendment strengthens the ability of the PBS safety net to deliver real benefits and savings to the people who need them and it recognises that, when couples need to live apart for reasons of ill health, frailty or dependent care, they do not cease to be a family. It provides continuity for joint access to safety net entitlements for these couples despite their living circumstances having changed. It will improve the affordability of PBS medicines for these people at a time in their lives when they may be most in need of the benefits of the PBS.

The bill also amends the act to extend access to the PBS for government officers working outside Australia. Current PBS eligibility, supply and export restrictions prevent pharmaceutical benefits being provided to government officers when working overseas despite eligibility to the PBS in Australia. However, accessing medicines outside Australia can be difficult and uncertain. The changes will allow pharmacists to dispense PBS prescriptions for medicines required by these officers and by accompanying spouses and dependent children and for those medicines to be sent outside Australia in quantities required for their personal use. This will provide access for these Australians to quality affordable medicines and PBS safety net entitlements.

The amendment to the criteria for determining comarketed brands will ensure that the legislation operates as was originally intended. The amendment will allow comarketed brands to remain comarketed in certain circumstances and continue to have the co-marketing pricing benefits even if they are brands of more than one pharmaceutical item. In addition, the amendments provide that the minister may, by legislative instrument, determine that comarketed brands cease to be comarketed. That ministerial determination will have precedence over the regulations prescribing comarketed brands. This is an important amendment as it facilitates timely and efficient administration of the PBS comarketing arrangements.

This bill also contains minor and technical amendments which change the way that two definitions are referred to in the act and removes the requirement for the gazettal of certain ministerial determinations. The relevant determinations will be legislative instruments for the purpose of the Legislative Instruments Act 2003. I thank all the members who made a contribution to the debate on this bill. The changes in the bill strengthen the PBS and improve access to PBS entitlements. The government will continue to monitor the PBS to ensure that it is operating as intended and to ensure that ac-
cess to necessary medicines is available when needed by those Australians eligible to receive them.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mrs ELLIOT (Richmond—Minister for Ageing) (12.07 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.

Bill read a third time.

BUSINESS

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House) (12.07 pm)—I move:
That orders of the day Nos 4 and 5, government business, be postponed until a later hour this day.
Question agreed to.

INDIGENOUS AFFAIRS LEGISLATION AMENDMENT BILL 2008

Second Reading

Debate resumed from 29 May, on motion by Ms Macklin:
That this bill be now read a second time.

Mr ABBOTT (Warringah) (12.08 pm)—I do not intend to long detain the House on the Indigenous Affairs Legislation Amendment Bill 2008, because it is a bill with which the opposition is in substantial agreement. There are three elements to this bill. The first and most important element of the bill is to extend the term for which township leases can be given. Instead of providing simply for 99-year township leases, this provides for leases to be any length between 40 years and 99 years. It has long been the view of the coalition parties in government and in opposition that Aboriginal land should be not just a spiritual asset but an economic asset as well. It was for this reason that the government as part of the intervention last year provided for the possibility of township leases of 99 years. It has also been an article of faith amongst the coalition parties both in government and in opposition that homeownership is an important contributor to a functioning civil society and that homeownership is good for the individuals who own their homes and also for society as a whole because the more that people have a stake in their communities through homeownership the better. Again, the former government’s 99-year township lease provision was designed to enable at least some Indigenous people living in remote Indigenous communities and not so remote Indigenous communities to have a form of homeownership. This was a measure that was introduced by the former government last year as part of the intervention. It was a very good measure. It was supported by the then opposition, now the government, and now we have a bill before the House to amend it in a significant way.

I was initially anxious about this particular bill but, on the assurance of the government that they are not about limiting access to township leases and they are not about limiting the ability of Indigenous people in the Northern Territory to obtain a form of homeownership but are in fact trying to maximise the number of communities where this is possible, the opposition is happy to support the bill. I would like to stress, if I may, that the coalition parties’ view is that these township leases should be for as long as possible. I would be disappointed in the extreme if officers of the federal government were to encourage a 40-year as opposed to a 99-year lease; nevertheless, I do accept that for many Indigenous communities this is a radical step, it is a dramatic change, and it may well be easier to get these kinds of leases ac-
cepted if they are for a shorter term. I cer-

tainly want to see the number of communi-

ties that go down this path maximised. On 

the basis of the assurances from the govern-

dent I think that that can happen with the 

amendment before us. The second element of 

the bill simply makes it easier for the five-

year leases that were proposed under the in-

tervention to go forward and makes it easier 

for payment arrangements to be entered into.

The final element of the bill is to transfer 

title for 13 national parks. My understanding 

is that this was originally agreed to in 2003 

by the former government, but the agreed-to 

transfer did not actually take place. I do have 

some concerns about the future management 

of these parks should ownership change, and 

I would want to be assured that these na-

tional parks will continue to be well man-

aged by the Northern Territory government 

and will continue to be open to all for free 

with this transfer of title. So I will be seeking 

further assurances from the government on 

this point, and the coalition parties reserve 

their right to seek to amend this aspect of the 

legislation in the Senate if these assurances 

are not forthcoming. I see no reason why 

these parks should not continue to be man-

aged by the Northern Territory government 

and continue to operate on the current basis, 

notwithstanding the transfer of title. I trust 

that those further assurances will be forth-

coming, and on that basis I am happy to sup-

port the legislation.

Mr MARLES (Corio) (12.14 pm)—I rise 

to speak in favour of the Indigenous Affairs 

Legislation Amendment Bill 2008. This bill 

seeks to amend the Northern Territory Na-

tional Emergency Response Act 2007 and the 

Aboriginal Land Rights (Northern Territory) 

Act 1976. This bill puts in place a number of 

miscellaneous amendments to these acts, a 

couple of which are quite significant, and it 

forms part of the suite of reforms and activ-

ity which are currently being undertaken by 

the Rudd government in relation to Indige-

nous affairs. I want to recount some of those 

other measures in a moment.

Turning to the specifics of this bill, it 

seeks to provide increased flexibility in 

terms of the length of township leasing ar-

rangements under the Aboriginal Land 

Rights (Northern Territory) Act 1976. In do-

ing that it will allow for the finalising of the 

federal regional partnership agreement for 

Groote Eylandt with the Anindilyakwa peo-

ple. The amendments will also provide for 

expanding the power of the Executive Direc-

tor of Township Leasing so that more varied 

leases can be put in place for the benefit of 

Aboriginal people. Also, there will be the 

creation of 13 national parks on Aboriginal 

land in the Northern Territory which will 

then be leased back to the Territory govern-

ment.

The bill amends the two acts through three 

schedules. The first schedule seeks to vary 

and create greater flexibility in relation to the 

leasing arrangements for Aboriginal land 

under the Aboriginal Land Rights (Northern 

Territory) Act 1976. Significantly, and this is 

really the most important aspect of the bill, it 

allows for the creation of township leases 

which span a minimum of 40 years and a 

maximum of 99 years. In putting in place 

this particular provision, which has been the 

subject of much discussion, it is felt that the 

formulation of setting a span of 40- to 99-

year leases gives a balance between the 

rights of people to the collective ownership 

of the land under the Aboriginal land rights 

act and, at the same time, the provision of 

some scope for individual ownership of land 

through these extended leaseholds. The gov-

ernment believes that providing for between 

40- and 99-year leases gets the balance be-

tween those interests right.

There are also amendments to this act in 

the powers that are given to the Executive
Director of Township Leasing which will allow for a much greater variety of leases to be entered into for the benefit of Aboriginal people in these areas. This is a very important development in terms of landholding in the Northern Territory. Part of what this will then allow for, as I mentioned in my opening remarks, is the finalisation of the regional partnership agreement for Groote Eylandt, the largest island in the Gulf of Carpentaria. This agreement includes 40-year township leases in relation to a number of communities on Groote Eylandt in accordance with an agreement that was signed between all the parties on 20 May this year. So this is important in providing for greater flexibility of landholding and leases in the Northern Territory.

Schedule 2 provides a number of technical amendments to the Northern Territory National Emergency Response Act 2007. At its heart there are provisions here which allow for payment amounts in relation to five-year leases. This has particular application for Canteen Creek, where the payments in relation to five-year leases will be amended. This is done in a way which will ensure that there will not be any interruption to the native title claim which exists there.

Schedule 3 of the current bill amends schedule 1 of the Aboriginal Land Rights (Northern Territory) Act 1976. This is the amendment contained in this bill which deals with 13 national parks. It will enshrine in law an agreement between the Northern Territory government, the Commonwealth government and the traditional landowners of these 13 parks and reserves that had previously been the subject of land claims under the act. In March 2005, under the Northern Territory parks act, the Northern Territory government requested the Commonwealth to schedule in the land rights act the list of those 13 parks which are included in that parks act and, in doing so, effectively make them Aboriginal land. Upon the successful passage of this bill, the Northern Territory government will lease these parks on a 99-year basis, allowing them to operate as national parks.

That is a summary of the particular provisions of this bill. But, as I said at the outset, the bill forms part of an extensive suite of activity that the Rudd government is engaging in in relation to Indigenous affairs. Of course, that started in this place on 13 February this year with the apology to the stolen generations, which was a momentous occasion in this country and clearly a watershed in the relationship between Indigenous and non-Indigenous Australia.

In entering into such an important step as the apology to the stolen generations, which opens the door for the first time in a significant way the ability for non-Indigenous and Indigenous Australians to cooperate in relation to Indigenous affairs, it is important that this is backed up by a raft of practical measures. That has been done by the Rudd Labor government through a program which we have described as ‘closing the gap’. Closing the gap is a very important step forward in terms of addressing the gap that exists between Indigenous and non-Indigenous Australia in a range of health and social indicators and, in particular, life expectancy, where there is a 17-year gap between Indigenous and non-Indigenous Australia.

In addition to the apology and in addition to the programs seeking to close the gap between Indigenous and non-Indigenous Australia in terms of all of those social outcomes, the budget played a very special role. The budget this year committed $1.2 billion in spending to try and improve the situation of Indigenous Australia. In the Northern Territory alone, there has been a commitment of $666.1 million to improve the situation of Indigenous Australia. This includes $3.4 million for early childhood development ser-
services, $74.2 million for leadership and governance programs, $75 million for welfare reform, $113.3 million for health services, $168 million for employment and pre-employment services, $78 million for community safety and policing and $154.2 million to expand various educational opportunities. In total, that is a commitment of $666.1 million to Indigenous affairs in the Northern Territory.

Across the country beyond the Northern Territory there have also been a number of measures put in place in this budget. They include $56.4 million for literacy and numeracy programs, $122.7 million to improve child and maternal health services, $15.7 million for counselling services, $160 million for land and sea country Indigenous partnerships, $41.6 million for the very important Cape York welfare reform trial, $49.3 million for Indigenous drug and alcohol services, $33.5 million to address drivers of Indigenous chronic disease, $10 million to establish the Indigenous Mothers Accommodation Fund, $16.6 million for Indigenous early development and learning services, $29 million for infrastructure investment in Indigenous areas, $7.6 million for national arts and craft industry support programs, $5.5 million for additional funding for resourcing of native title claims and $6.1 million to continue the Australian Public Service Indigenous Employment Strategy.

That is a very long and comprehensive list of activity on the part of the Rudd Labor government in relation to Indigenous affairs. In total, beyond the Northern Territory, that amounts to a commitment of $554 million of spending in relation to Indigenous affairs. Adding the Northern Territory commitment to that, there is a total commitment in this budget of $1.2 billion. That is a very important commitment to addressing Indigenous affairs in this country and to closing the gap. In conclusion, this bill forms part of the suite of activity that is being undertaken by the Rudd Labor government in relation to Indigenous affairs in this country and I very much commend it to the House.

**Mr MURPHY** (Lowe—Parliamentary Secretary to the Minister for Trade) (12.26 pm)—I would like to thank all the members who have participated in this debate and particularly my parliamentary colleague sitting at the table, the member for Casey, for his cooperation in this. The Indigenous Affairs Legislation Amendment Bill 2008 amends legislation in relation to Aboriginal land in the Northern Territory in order to provide greater flexibility in dealings with land owned or controlled by Aboriginal people. The aim of these changes is to facilitate an improvement in housing and infrastructure, including through the provision of more options to provide security of tenure for government providers of facilities.

This bill allows traditional Aboriginal owners more flexibility under the Aboriginal Land Rights (Northern Territory) Act 1976 for dealing with township leases. Township leases will now be set at a minimum term of 40 years. There will also be provision for the renewal of township leases up to a total of 99 years. The legislative changes proposed will allow leases to be tailored for specific communities. In particular, it will allow for an agreed new township lease covering communities in the Groote Eylandt region.

Other provisions in this bill allow the Executive Director of Township Leasing to hold other types of leases or subleases over land primarily held for the benefit of Aboriginal people. The purpose of this change is to give Aboriginal landholders the option of entering into a lease with an independent statutory office holder, rather than directly with government. As proposed by this bill, changes to the Northern Territory National Emergency Response Act 2007 will provide a framework
for negotiation of payments to landholders for five-year leases. This will encourage a negotiated approach which will diminish the likelihood of action through the courts.

Finally, the bill amends the Aboriginal Land Rights (Northern Territory) Act 1976 to allow for 13 further areas of Aboriginal land to be granted. Granting these parks and reserves will enable the government to finalise an agreement struck in September 2003 between the Northern Territory government and the traditional Aboriginal owners of the land. This is consistent with the government’s approach of resolving Indigenous land claims by agreement, wherever possible, and not through the courts. As a result of the agreement, the 13 parks and reserves will be operated as national parks to provide long lasting enjoyment for all Australians.

Bill agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr MURPHY (Lowe—Parliamentary Secretary to the Minister for Trade) (12.29 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2008 MEASURES No. 3) BILL 2008

Second Reading

Debate resumed from 29 May, on motion by Mr Bowen:

That this bill be now read a second time.

Mr KEENAN (Stirling) (12.30 pm)—The Tax Laws Amendment (2008 Measures No. 3) Bill 2008 comprises four schedules. Two of these cover highly technical amendments: these are schedule 1, shareholder and unit holder rights, and schedule 2, restriction on GST refunds and time limits for recovery and refund of indirect tax. Both of these schedules should be referred properly to the Senate Standing Committee on Economics for inquiry. The remaining schedules—schedule 3, income tax treatment of rent assistance to Austudy recipients, and schedule 4, income tax treatment of the carer adjustment payment—are not technical in nature. The opposition supports these schedules. The opposition is concerned about the potential impact of schedule 1 and schedule 2. As I said, we will seek to refer these to the Senate economics committee. Even though we support their intention we are worried about whether or not that intention will be met by the constraints of the drafting. There is some concern within the stakeholder communities about both of those schedules, and it would make sense for those issues to be ventilated appropriately in the Senate economics committee.

Schedule 1 is in response to the 2007 High Court decision that is known as McNeil’s case. The decision effectively reversed the long-held approach to the taxation of rights issues—namely, that in the great majority of cases taxation arose on realisation of the rights not the mere granting of those rights. The decision naturally caused a lot of concern amongst Australia’s corporates and amongst Australia’s tax advisers. I have some commentary here from Taxpayers Australia. I will not go into it but the chamber will get the general idea that they are an organisation, along with other organisations, that were concerned about the implications of this particular High Court decision. Shortly after the judgement in McNeil’s case, the Australian Taxation Office was asked to rule on the taxation implications of proposed rights issues, including a specific issue raised by Hutchinson Telecoms. Again, I have some commentary about the specific issues that were raised within the tax and the legal pro-
essions but, in the interests of House efficiency, I will not read it all out. The House can be assured that there was much concern amongst those two communities.

It was against this background of uncertainty that the then minister, the Assistant Treasurer, announced the coalition’s response to McNeil’s case. This occurred in June 2007 when the coalition government announced that it would provide certainty to this type of capital raising and would remove doubts surrounding the potential retroactive application of McNeil’s case. The then minister for revenue and Assistant Treasurer stated:

... Instead, the long-standing position to treat rights issues on capital account will be maintained ...

“... These amendments will provide certainty for taxpayers by restoring the taxation treatment of rights issues that existed before the decision of the High Court of Australia in Commissioner of Taxation v McNeil ...”

“The bring-forward of a tax liability under McNeil’s case would impose unnecessary compliance costs on companies and their shareholders.”

The amendments will apply from the 2001-02 income year.

I think that is very significant. The measure in this bill copies the start date of 2001-02, which reflects the coalition’s decision to give taxpayers greater certainty to take up new shares and also greater certainty for past years. In relation to this measure in schedule 1 of the bill, I note that shareholders and unitholders will not be assessed on the value of rights to take up new shares or units. Shareholders and unitholders will not have an income tax liability at the time of the grant. However, stakeholders have questioned whether this legislation actually achieves this policy intent, an intent that is supported by the coalition.

As a result of events we have seen in this chamber, with 22 bills being rushed through, there are obviously significant problems with the drafting. Already the government need to amend bills that have not yet even been debated in the House, which I find extraordinary. There are some concerns about the drafting of this bill. I do not think that is at all surprising given this government’s approach to the legislative process. My office has been contacted by industry groups and taxation experts who were actually approached for comment on the measures contained within this bill. They were given three days, which is really not a particularly satisfactory time frame, to comment on complex tax legislation. Then they found that their comments were completely ignored anyway. In fact, the Taxation Institute of Australia has described the government’s cursory consultation process as a ‘tick the box’ process. The government are just going through the motions, pretending to consult and then ignoring anything that comes out of that consultation. Once again we see this government desperate to be seen to be doing something but not necessarily aware of the consequences of what they do.

Last August the coalition endorsed the recommendations made by the Board of Taxation in its report Improving Australia’s tax consultation system. The board’s recommendation 11 stated:

Government should allow at least a six-week period for external stakeholders to provide input into consultations on significant measures to ensure the community has maximum opportunity to participate ...

Of course with this measure instead of six weeks we have seen three days, even though the Assistant Treasurer at the time was very
keen to claim that the new government would do things differently and would actually genuinely consult with stakeholders. Again what we find is this yawning gap between what is said and what actually happens.

Schedule 2 of this bill deals with collection and administration of indirect taxes. The measure within this bill will amend the GST legislation. The amendment concerning refunds of overpaid GST is in response to a Federal Court decision, known as Kap Motors, handed down in February this year. Pursuant to that decision, in some limited situations refunds could be made of overpaid GST without there ever having to be a reimbursement of the GST. The amendment will confirm that refunds of GST will not be made until the person claiming the refund—the person who sold the goods or services—reimburses the corresponding amount to their customers. This is the mechanism enabling entities who actually paid the GST to be reimbursed.

In relation to part 2 of this schedule, I note that there is also a four-year time limit on the Commissioner of Taxation to recover GST wine equalisation tax, luxury car tax and fuel tax credits. The measure will ensure that the four-year limit on the recovery of taxpayers’ liabilities applies irrespective of how those liabilities arose.

Obviously, by the very nature of these measures, they are quite complicated. In this House we do everything to improve the legislative process, and I do not think the government should be afraid of that. Hasty drafting will inevitably lead to the need for urgent amendments. We have already seen that in the House this week. I remind the House again about the minister’s recent need to amend the excise legislation affecting condensate. This happened a matter of just weeks after the bill’s introduction. Apparently, though, the government already thought that bill was ready for introduction. I am aware that the business of the House has been moving quickly today and I do not want to labour these points.

In summary, I think it is appropriate that some of the concerns that have been raised about the first two schedules of this bill have the chance to be aired at the Senate Standing Committee on Economics, even though the intent of those measures is supported by the opposition. As I have said, we do wholeheartedly support schedules 3 and 4 and we have had some conversations with the government about making sure that they can speedily pass through the legislative process. Therefore, I move the following amendment:

That all words after ‘That’ be omitted with a view to substituting the following words:

While not declining to give the bill a second reading, the House records its concerns at the haste with which this bill is to be dealt with and calls for the bill to be referred to the Senate Standing Committee on Economics for review, which will allow those with practical expertise and interest in these proposals to have an input.

I would like to say to the government that they do not need to fear the legislative process. Parliament is actually an important part of that process. I urge them to stop this arrogant idea that somehow parliament has no contribution to make to the improvement of their legislation. I urge them to give this amendment some consideration.

Finally, and very briefly, if the House will bear with me I want to note that this speech, like a lot of other speeches that have been made by coalition ministers in the economic portfolios, was prepared with the assistance of somebody in my office named Phil Lindsay, who finishes on Friday after 10 years of service to the coalition, firstly to the then Treasurer, Peter Costello. In 1998 he came up here to assist the government with the fundamental tax reform that was taken then.
Ever since, he has been advising Treasurers and Assistant Treasurers, and now he is advising he shadow Assistant Treasurer. He has done so with incredible professionalism and his services will be sadly missed, although I am sure that everybody on this side of the House and indeed in the whole parliament will wish him well in his new endeavours.

The DEPUTY SPEAKER (Hon. Peter Slipper)—Is the amendment seconded?

Mr Anthony Smith—I second the amendment.

Mr BRADBURY (Lindsay) (12.42 pm)—I add my words of congratulations to the member for Stirling’s departing staff member and I acknowledge the work of all staff of members of parliament. I know that they all contribute in a considerable way.

I would like to speak in support of the Tax Laws Amendment (2008 Measures No. 3) Bill 2008. As the member for Stirling indicated, there are four schedules to the bill. The first two of those schedules relate to complex matters of taxation law, the first being one of the most significant decisions that we have seen in recent time: the decision handed down by the High Court in relation to the McNeil case. I think it would be fair to say that the outcome of the McNeil case was something that was greeted with surprise throughout the tax fraternity. The tax treatment of sell-back rights in that particular case was treated by the High Court in a fashion that departed from what was the conventional orthodoxy in relation to tax treatment of rights issues.

This bill, and in particular schedule 1, attempts to restore to the position of the tax law that which was previously considered to be the case, in keeping with that conventional orthodoxy—which is that, where rights issues occur, the gains or losses are not brought to account instantaneously but rather will be recorded and brought to account through the capital gains tax provisions where those particular rights are held on capital account. This bill and this schedule seek to restore that position by ensuring that any of those gains would be treated as non-assessable, non-exempt income and, as result of that and the consequential amendments to the CGT provisions, those particular gains would not be treated as income at the time that the rights are granted but would ultimately be brought to account when a future CGT event occurred and a gain or loss was to be realised.

I think it is a sensible outcome. It is one, I acknowledge, that the member for Stirling and his predecessor from his side, the former Assistant Treasurer, has indicated is the right direction for this parliament to take. It is important that we take that direction with some urgency, because it must be said that there is a degree of uncertainty out there in the marketplace. In particular, there have been strong concerns expressed by many within the industry as to how this is impacting on many arrangements that might otherwise have already been put in place.

I would also like to comment on the issue of consultation because I know the member for Stirling was very critical of the consultation process that has occurred here. I would like to take the opportunity to commend the Assistant Treasurer on the work that he has done in the short time that he has been in that role to try and allow this parliament to move forward towards a much more sensible approach to consultation when it comes to taxation laws. The establishment of the Tax Design Review Panel I think is the first step in that process. I note that the deliberations of that panel will at some future point be reported back to the Assistant Treasurer. I know that, given his long and outstanding commitment to consultation, he will take the findings and recommendations of that panel
very seriously, and I am sure we will see him acting on those recommendations.

One point I would like to emphasise in the whole consultation debate—because it is critical not just in relation to this bill but more generally—is that consultation in relation to tax bills will always involve a delicate balancing act. On the one hand, where there is a need for urgent legislative reform and an urgent legislative response—and that is often the case, because sometimes court decisions can open a Pandora’s box of uncertainty in the marketplace—there is a need to act urgently. But on the other hand there is a need to act more cautiously, in particular in consultation with industry professionals and those practitioners that have an interest in ensuring that the legislation that ultimately comes forward is not only workable but delivers on the intent of the parliament. So there is a balancing act and it is important that those competing objectives and interests are taken into account.

In relation to the issue of delay, as someone who previously was a practitioner in the area, I found the area of tax-exempt asset finance and the reforms that had been proposed by the former government quite extraordinary. This was an area which, in so many respects, would have been critical to facilitating and inspiring additional investment in infrastructure, but it was an area where the former government had really dropped the ball when it came to reform.

Mr Bowen—Five years!

Mr BRADBURY—Five years, indeed, as the Assistant Treasurer has pointed out. It was a long time. I must say it would have had to have been one of the most exposed exposure drafts in the history of this place. It has been a long process. I think it is important that, when governments make announcements in relation to significant changes in the tax law, there is a swift process—albeit a process that does engage in the necessary consultation—by which the original announcement is then translated into laws so that tax practitioners and the marketplace can then arrange their affairs in accordance with those changes.

In relation to the other schedules in this bill, I note that schedule 2 seeks to make a significant reform which will overcome the outcome of the Federal Court decision in relation to that matter. Schedules 3 and 4 are matters that clearly are of a much more pressing and urgent nature in ensuring that the parliament deals with them promptly. I understand that the Assistant Treasurer will be looking to move an amendment to facilitate the progress of those particular elements of the bill so that there will be the opportunity for further consultation on those elements where that may of benefit and committees can go through that process in greater detail.

Schedules 3 and 4 correct anomalies in relation to the treatment of various payments. The intent of schedule 3 is to ensure that the tax treatment of rent assistance that is paid to Austudy recipients is exempt. That is an important change precipitated by the fact that rent assistance had been announced in recent times by the former government, and it is important to ensure that there is consistency in the treatment of those payments with similar payments to people in similar situations, such as Newstart allowance, youth allowance and Abstudy. It is really about ensuring that there is some consistency in the treatment of these matters. Schedule 4, the substance of which is in relation to the carer adjustment payment, seeks to ensure that payments of that nature are considered to be and treated as tax exempt and to bring them into line with other similar payments that would otherwise be treated as being tax exempt so far as the taxation law is concerned.
I am very pleased to support the bill before the House. In particular, I think that it is a matter of some urgency that schedules 3 and 4 be dealt with. But schedules 1 and 2 I think really do evidence this government’s intention to act upon previous announcements made and to ensure that taxpayers have some certainty in proceeding with their affairs, given that the courts have made various decisions that have created uncertainty in these areas.

Mr Bowen (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (12.52 pm)—I take this opportunity to thank both of the honourable members who contributed to this debate on the Tax Laws Amendment (2008 Measures No. 3) Bill 2008—the honourable member for Stirling and the honourable member for Lindsay. As I have said before, the honourable member for Lindsay has a great deal of expertise in these matters and I always value his contribution. In relation to the honourable member for Stirling’s contribution, I do have some comments. With respect to the legislative process, the honourable member for Stirling questioned why we would not agree to this going to a Senate committee. Can I indicate that I am more than happy for it to go to a Senate committee, and I do not believe any other position was ever indicated when the government were asked to split this bill. We took the decision very quickly to agree to the request from the opposition. The opposition have indicated they wish to examine two of the schedules, and that is perfectly appropriate. I have no problem with that and I am more than happy to move an amendment splitting two schedules from the other two so that the honourable gentleman opposite can facilitate a Senate inquiry into the first two schedules. This response is in contrast to the approach taken by the previous government when I made similar requests in opposition.

In relation to consultation, can I make it quite clear that I think consultation has not been good enough for a long time. I have made that quite clear in public; I have made that quite clear in several forums. That is why one of the first things I did on becoming Assistant Treasurer was appoint the Wilson review, the Tax Design Review Panel, to ensure that there are fewer delays in the implementation of tax changes and that there is much better consultation early in the process. I have received the Wilson review. The government is preparing its response and it will be released as soon as possible. And that, I think, will make a very serious long-term improvement to the consultation process on tax law in this country.

I have made it clear to the Treasury that my No. 1 priority in the revenue area is to improve taxation law consultation. I have said on a number of occasions that there will be times when consultation needs to be cut short, when it needs to be less than is desirable, and this is one of those times. It is much less than what would be desirable. I would be the first to agree with that. I am more than happy for members opposite to examine the legislation closely in a Senate committee. There are some who argue that this particular schedule should go a lot further—I know that argument—and should not just fix the mischief created in the McNeil case but fix a broader mischief. I accept those arguments.

However, the government has taken a decision to do this now, to fix the particular mischief in the McNeil case, and to take a little longer to assess the broader issues so that this great uncertainty that has been created by the McNeil case is fixed as soon as possible. We have received a significant number of requests from very significant players in the national economy to carry this legislation as a matter of extreme urgency. They have advised the government that the
operation of the McNeil case, despite the fact that the government has announced it will retrospectively fix it, is creating some very substantial difficulties for them in their operations. I would encourage the honourable gentleman opposite to ensure that the Senate inquiry, while being full and thorough, is not overly elongated for the sake of those people who are relying on the correction to the McNeil case.

I am a little less clear on the opposition’s concerns on the Capp Motors case, but they have expressed a view that the Senate committee should have a look at it, and I am more than happy to facilitate that. I always, where I am satisfied that the opposition has genuine concerns, am happy to facilitate a full and thorough review. If there are issues that arise out of that review, I am more than happy to take them on board, because we have nothing to fear from a full and proper legislative process. If there are suggestions and amendments that can sensibly be accepted, I indicate that I would accept them. The other two schedules are eminently sensible and I think have the support of both sides of the House. I foreshadow that when we go to the consideration in detail stage I will move an amendment which separates the schedules at the request of the honourable gentleman the member for Stirling.

The DEPUTY SPEAKER (Mr PD Secker)—The original question was that this bill be now read a second time. To this the honourable member for the Stirling has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.
and Assistant Treasurer) (1.00 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**NATIONAL FUELWATCH (EMPOWERING CONSUMERS) BILL 2008**

Cognate bills:

**NATIONAL FUELWATCH (EMPOWERING CONSUMERS) (CONSEQUENTIAL AMENDMENTS) BILL 2008**

Second Reading

Debate resumed from 2 June, on motion by Mr Bowen:

That this bill be now read a second time.

**Mr TURNOUR** (Leichhardt) (1.01 pm)—I rise today to support the National Fuelwatch (Empowering Consumers) Bill 2008 and related bill. This is an important measure as part of the Rudd government’s overall plan to ease the pressure on family budgets and on those like pensioners and carers who are doing it tough. Fuelwatch is a very important measure that I strongly support, and I know that consumers and residents in my communities in tropical North Queensland are looking forward to its introduction later this year. I would like to congratulate the Assistant Treasurer for the work that he has done on this bill and for the efforts that he has put in over an extended period of time and to thank him for the work that he has done with me on what we can do to tackle the rising cost of fuel and the pressure that that is putting on family budgets.

I note that we have introduced a Petrol Commissioner and given them formal monitoring powers. I am very pleased that the commissioner also has the option of looking at LPG and diesel and advising the Assistant Treasurer in relation to whether they need more powers there. The stance that the Assistant Treasurer and the Rudd government have taken, which Fuelwatch is a very important part of, stands in stark contrast to what the opposition did when they were in power. When the ACCC was looking for more powers, they did not give them more powers. They basically said that petrol prices were not a problem, that there was no issue, that families were not under pressure. It has only really been over the last six months—or, effectively, the last few weeks in response to the budget—that the Leader of the Opposition has taken any real interest in the problems associated with rising fuel costs and the pressure that is putting on family budgets. If we look at the opposition’s budget response we see that responding to the challenges of rising fuel prices is not really supported by the opposition. It was a political statement about supporting and maintaining the Leader of the Opposition’s position within this parliament rather than a serious response to the challenges facing the family budget due to rising fuel costs.

Families are doing it tough out there, particularly families in the mortgage belts across the country and particularly in places like the southern suburbs and northern beaches of Cairns. Fuelwatch will save motorists a couple of cents a litre based on the Western Australian experience, where Fuelwatch has been in operation since 2001. That is important in itself: it will on average save a couple of cents a litre. That is based on the ACCC’s econometric modelling that underpins the government’s decision to introduce Fuelwatch. But the really positive outcome in terms of Fuelwatch is that it empowers consumers so that, rather than guessing the best time and place to buy petrol, consumers will know where and when they can buy the cheapest petrol in town. They will be able to map out their travel plans to take advantage of discount fuel. So, somebody living in the
northern beaches of Cairns will be able to get on the internet or get an SMS and know before they leave home whether they should buy fuel in the northern beaches of Cairns or wait and get it in town. Similarly, people in the southern suburbs will be able to get information about where the cheapest fuel is in town. The opposition want to deny consumers this information. They want to deny consumers the opportunity to find the cheapest fuel in town.

There are significant savings to be made in terms of that opportunity. We have already heard that on average there is a couple of cents per litre to be saved by introducing Fuelwatch. But, by allowing consumers to get out there and find cheaper fuel, I am sure there will be significantly greater savings to be had by people in my local community when Fuelwatch is introduced. And we need the support of the Senate to do that. I am very concerned that the opposition is going to prevent that happening and potentially delay the introduction of Fuelwatch.

I have talked about some of the benefits in regional Australia but, you know, in the cities there are potentially even greater benefits. In capital cities there is an average variation of 15c per litre—up to 30c in some situations—between the cheapest and the most expensive fuels. So it simply makes sense that, if you need to fill up your tank, with Fuelwatch you will be able to find the cheapest price in your area and take advantage of those savings.

According to the WA experience the rewards for using FuelWatch can be significant. In fact, according to a recent independent survey in Western Australia, where FuelWatch is in operation, people who subscribe to the email service said they had saved between $2 and $20 a week, as much as $1,050 a year. It is no wonder I have had constituents contacting my office supporting the introduction of Fuelwatch and wanting to know which fuels are covered. Fuelwatch will apply to petrol retailers that offer motor fuel for retail sale. Fuels covered by this scheme are those defined as suitable for use in an internal combustion engine. As the government has already announced, this would include unleaded petrol, premium unleaded petrol, LPG, diesel, 98 RON and biodiesel blends.

The crux of the Fuelwatch scheme is the requirement for petrol retailers to notify the ACCC of their intended price for the next day. This must be done by 2 pm on the immediately preceding day. Petrol retailers will be required to maintain this notification price for a 24-hour period commencing from 6 am the following day. However, if a petrol retailer has not changed their price from the previous day, they will not be required to notify the ACCC of their price—the bill deems this price to be their notified price automatically.

For its part, the ACCC will be required to publish notified prices from petrol retailers on a dedicated website. This information will be publicly available each day by 4 pm. The bill enables the ACCC to approve other methods of publication of this price information so consumers will be able to receive emails and text messages, call a toll-free number or check the Fuelwatch website, as I have described earlier, to find the cheapest fuel in their area. Civil penalties will apply if a petrol retailer notifies the ACCC of a price but does not sell fuel at all times during the fixed price period or if a petrol retailer notifies the ACCC of its price for fuel but sells that fuel at another price.

The opposition have put forward some spurious arguments in relation to Fuelwatch and are potentially denying consumers the opportunity to actually get further information about where they can find cheaper fuel. They are not on the side of motorists and are
not interested in taking serious action to reduce the price of fuel. I think it is very important that we understand that the ACCC has done significant modelling on this proposal for Fuelwatch and is fully supportive of it. On 29 May last week the chair of the ACCC said on ABC Radio:

FuelWatch will not in our view lead to an increase in prices. It will, based on our analysis of the Perth situation, lead to a statistically significant reduction in prices. But there is a far more important element of FuelWatch—it is about giving consumers the power to determine when to buy petrol and where to buy it at the lowest possible price.

So arguments are being put forward by the opposition that this will increase prices. Are they greater experts than Graeme Samuel and the ACCC? Do they claim to be bigger experts than the organisation that has done the detailed econometric modelling? I put it to you that they know they are not the experts in this area. As I said earlier, the Leader of the Opposition's engaging in this debate is as much about maintaining his position as it is about looking after the interests of consumers.

Currently the big oil companies have this information but consumers do not. The Rudd government, unlike the opposition, believes that consumers should have this information. Why should big oil have this information and not the consumers? Why is the opposition on the side of big oil and not on the side of consumers? We believe this system will increase competition by providing consumers with information and forcing oil companies to compete further on price, effectively forcing oil companies and retailers to tender their price.

There is no truth to the argument put forward by the opposition that Fuelwatch will reduce the number of independents. This is another spurious argument that has been put forward by the opposition. In fact, the evidence from Western Australia is that the number of independents has actually increased since FuelWatch was introduced. The opposition is trying to mislead the public by suggesting that FuelWatch reduced the number of independents. Over the period from March 2001 to June 2007, following the introduction of FuelWatch in WA, the proportion of branded independents—service stations owned by an independent operator but having the branding of an oil company or independent chain—has increased from 34 per cent to 36 per cent; and the proportion of general independents has increased from two per cent to five per cent, based on the Western Australian experience. The sad thing is that the opposition are opposed to this measure not because they do not believe in Fuelwatch, as we know that at least three Liberal leaders at the state level support it—including Mr Mark McArdle, the leader of the Liberal Party in my home state of Queensland. He has come out in support of this measure.

We know that this is all about the Leader of the Opposition maintaining his position, not about any response to consumers or protection for consumers. Mr McArdle made it very clear that he thought Fuelwatch certainly had some benefits and he really wanted to see it introduced later this year, from comments he has made. I would ask for Queensland members opposite, like the member for Herbert and the member for Dickson, to continue to look at the way that they support Fuelwatch. I believe that Fuelwatch is a very important measure for working families that will provide an easing of cost of living pressures for those families, and I strongly support it. I know that members of my community are looking forward to it being introduced.

The DEPUTY SPEAKER (Mr PD Secker)—I remind the chamber that it has
been agreed that this be a wide-ranging debate.

Ms MARINO (Forrest) (1.12 pm)—I rise to speak on the National Fuelwatch (Empowering Consumers) Bill 2008 and related bill and on what will be the abject failure of Fuelwatch to provide cheaper fuel for general motorists and the transport industry. It has failed in Western Australia, where it is now in operation, and it will fail throughout wider regional Australia subsequent to the rollout of Fuelwatch. Regional Australians have an equal right to benefit from any federal government initiative to reduce fuel prices. How does and how will Fuelwatch benefit regional and remote Australians? There is no doubt that we have some extremely efficient and committed small, medium and larger operators in a very competitive transport industry in Australia. It is an industry that delivers 1.69 billion tonnes, which is over 70 per cent, of domestic freight throughout this country. I would like to put this in perspective. I spoke to one such company in my electorate of Forrest this morning. Since the election their fuel bill has gone from $5 million a month to $7 million a month, from 17 per cent of their input costs to 23 per cent of their input costs. As we know, transport companies cannot absorb these additional costs. The increased fuel cost has to be passed on to the end user: Australian farmers, consumers, families, businesses and individuals. Increased transport costs also make Australian exports less competitive, and one in four jobs in regional areas is dependent on exports. Most agricultural exports start their journey by road.

The ACCC report on unleaded petrol states that a number of issues need to be considered before taking Fuelwatch national. One of those issues to be considered is whether regional and country markets are sufficiently competitive to benefit from increased price transparency. Let us look at FuelWatch in some areas of my home state of Western Australia. There is no evidence that watching fuel has actually reduced prices, and in actual fact recent evidence shows that weekly prices are generally higher in WA than in other mainland states. Monitoring shows that prices are consistently higher in Perth than in other capitals. Interestingly, the weekly price cycle under FuelWatch has lengthened to a two-weekly cycle. Motorists who fuel up their cars weekly are forced to buy at a higher price every alternate week. That affects 76 per cent of motorists, who fill up at least on a weekly basis. ACCC Chairman Graeme Samuel has said that Fuelwatch is not about saving motorists money; it is not a process whereby consumers might be able to save 1c or 1.5c a litre off their fuel costs. In fact, the ACCC has been reluctant to attribute any downward pressure over time on WA prices to Fuelwatch, pointing out that other forces are at work in the market. An editorial in the West Australian said:

Fuelwatch, at best, helps people to find where the lowest prices are, but it doesn’t come close to doing anything about the petrol-price cycles used by the big companies. Any savings it may help motorists to make are at the margins.

If the intention of Fuelwatch is to increase competition, what will the impact be on small independent retailers across Australia? What have the effects of Fuelwatch been on the independent retailers in Western Australia? There are many who say that Fuelwatch is driving them out of business. There is evidence that Fuelwatch has given motorists even less choice. Recently the member for Cowan, Luke Simpkins, asked 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 during the course of a day?

The member for Cowan then asked:
Can the Prime Minister confirm that his legislation establishing the failed FuelWatch scheme nationally will contain similar penalties as those in WA?

I, like the member for Cowan, would ask: how can it possibly be more competitive and in the best interests of motorists and the transport industry to prevent service stations from lowering their fuel prices during the course of any given day? The regulation impact statement, tabled in parliament, clearly states that independent service stations are at a competitive disadvantage under Fuelwatch. The report notes that FuelWatch in Western Australia has:

... harmed the competitive position of independents as it allows large operators to adopt a strategy of rolling price leaders. Operators with small networks are less able to employ this pricing strategy and are therefore placed at a competitive disadvantage in the market.

Further, it appears from this report that the Australian government will actually be funding anticompetitive activity by funding Fuelwatch. The report notes:

... the provision of this taxpayer funded service creates greater opportunities for price co-ordination amongst retailers, especially in more concentrated markets.

Here there has always been increased concentration in the fuel market. We also know that Treasury advised that Fuelwatch would cost small business $4,000 a year to implement and that it would disadvantage small independent fuel retailers—those working hard day in, day out to compete with the majors and clearly losing the battle. There was no consultation with small business prior to Fuelwatch being considered by cabinet. We also know that the Prime Minister has ignored top-level advice. Four of the government’s own key economic departments advised against the Fuelwatch scheme and expressed concern that it might actually push petrol prices up instead of reducing them.

That cabinet ignored such strong warnings from the Department of the Prime Minister and Cabinet; the Department of Finance and Deregulation; the Department of Innovation, Industry, Science and Research; and the Department of Resources, Energy and Tourism totally undermines the government’s claim relating to Fuelwatch.

According to FuelWatch in Western Australia, unleaded petrol in Perth today is $1.56 a litre; diesel is $1.84. In my electorate of Forrest, unleaded petrol in Walpole is $1.66; in Karridale, it is $1.71; in Manjimup, $1.64.5; and in Northcliffe, $1.76. Diesel is $1.69 in Manjimup and $2 a litre in Northcliffe. That is FuelWatch working in regional areas.

How, then, is FuelWatch benefiting regional and rural areas of the south-west of Western Australia where there is limited competition? And how will Fuelwatch benefit remote areas of Australia where there may be only one fuel supplier? Australians deserve a fuel initiative that is not based on a postcode. How does Fuelwatch assist small fuel buyers in isolated rural and regional towns where there are only one or at best two fuel suppliers? Do they have to get into their vehicles and drive to the nearest major centre to fuel their cars up on each alternate cheap Tuesday? What type of false economy would this be when you live 100 kilometres or several hundred kilometres from a major centre?

During the last election campaign the now Prime Minister and Labor government promised Australian motorists lower petrol prices. I call on the Prime Minister to deliver on his election promise and guarantee that the introduction of Fuelwatch will provide motorists and the transport industry with lower fuel prices right across Australia.

Debate (on motion by Mr Albanese) adjourned.
MINISTERIAL STATEMENTS

World Environment Day

Mr Rudd (Griffith—Prime Minister) (1.20 pm)—by leave—Today is World Environment Day. It is an important time for us all to recognise that our future economic prosperity is intimately linked with the ongoing health of our environment. Nowhere is this more apparent than in the challenge of climate change because the impacts of climate change will have serious and irreversible economic consequences for the entire planet, apart from environmental consequences. In Australia, the effects of climate change are already a reality: we have been experiencing the worst drought in living memory and our inland rivers are running dry. CSIRO predicts that the situation will get worse, with lower rainfall and higher temperatures.

Climate change is the challenge of our generation. But it is also an opportunity to build a modern Australia, so we can meet the challenges of the future. The costs of action are far less than the costs of inaction and economic modelling confirms that we can achieve significant emission reductions while maintaining strong economic growth.

This year the theme of World Environment Day is ‘Kick the habit: towards a low carbon economy’. The challenge for us is an economic challenge: to ensure a smooth transition to a low-carbon economy, to reduce emissions at least cost to the economy and to help develop the technologies and the industries of the future. The costs to the economy and the community will be less if we act responsibly now. The government has a comprehensive strategy for tackling climate change built on three pillars of action:

• reducing Australia’s greenhouse gas emissions at least cost;
• adapting to the impacts of climate change we cannot avoid; and
• helping shape a global solution—which is why my first official act as Prime Minister was to ratify the Kyoto protocol.

We are committed to reducing greenhouse gas emissions by 60 per cent on 2000 levels by 2050. We will implement emissions trading as the primary mechanism for achieving this target. And the government will develop additional complementary measures that help reduce overall costs. We recognise that the adjustment will not be easy. Rising energy and petrol prices are already hurting Australian families and Australian businesses. That is why we are:

• helping Australians take practical action to improve energy efficiency and save money in their homes with rebates, low-interest loans, energy-saving standards and better information; and
• supporting investment in developing and commercialising new low-emission technology like carbon capture and storage, solar thermal and geothermal energy technologies.

And we will be developing additional measures to help as emissions trading comes in.

The government is committed to helping Australian families and businesses make the transition to a low-carbon economy and to helping all Australians do the same. One part of our response to climate change involves the development of more fuel-efficient transport. Australia needs a car industry. Australia needs a car industry that uses frontier technologies to increase fuel efficiency and reduce greenhouse emissions. Australia needs a car industry clever enough and far-sighted enough to make motoring more affordable to working families and less costly to the planet.
Petrol is expensive. It takes a big chunk out of household budgets. It adds to the pressure on working families. And it is not a new problem. There have been plenty of ups and downs, but the trend is clear. Unleaded has not been less than 80c a litre since 2000. It has not been less than $1 since 2004. Over the last twelve months, it has averaged $1.34.

Huge countries like China and India are industrialising fast. Living standards are rising around the world. More and more people are chasing less and less oil. There is no denying that demand is on the rise. According to the International Energy Agency, the transport sector’s share of oil consumption has been increasing steadily at around 0.5 per cent a year, mainly due to the growing number of road vehicles. The global car fleet increased tenfold from 53 million in 1950 to 532 million in 2000. The best guess is that there are 622 million passenger vehicles on the world’s roads today, and a few years ago the OECD predicted we would have a billion cars by 2030.

Increasing demand is not just pushing up petrol prices. It is also threatening the environment. Worldwide transport sector CO2 emissions grew by 1.4 billion tonnes—or 31 per cent—between 1990 and 2003 (ITF-OECD). If we are serious about tackling climate change, we have to start driving cleaner and greener. That means increasing the fuel efficiency of cars. It means developing new vehicle technologies and using alternative fuels. This is not about demonising cars and motorists. It is about ensuring that the car remains a viable, affordable, environmentally sustainable transport option.

Let us not forget why cars became so central to our lives in the first place. The humble family sedan has helped us conquer the tyranny of distance. It has given us a degree of freedom unimaginable to our ancestors. It has increased prosperity and equity by giving all Australians access to a wider range of goods and services. It has made it easier to stay in touch with family and friends. It has been an important social dividend. But if we want to go on reaping these benefits—if we want our children to enjoy the same kind of personal mobility that we have—we have to get smarter about how we build cars and how we use them. And that is where the Australian automotive industry comes in.

Ford Australia boss Bill Osborne has suggested we are one of only 14 countries world wide with the know-how to design, engineer and manufacture a car from scratch. We should be using that know-how to develop new car solutions not just for Australia but for the world. There is no denying the industry’s capabilities. It employs 66,000 skilled workers and accounts for 17 per cent of R&D investment in the manufacturing sector. Its demand for sophisticated services, materials and intermediate inputs drives innovation across the economy.

Yet it is also an industry at the crossroads. Since 1996, the industry has lost over 11,000 jobs. Earlier this year, we lost Mitsubishi in Adelaide. And it is likely that there will be further rationalisation in the sector in the future. But the sector is also looking for new opportunities and a new growth path in a changing global environment. Creating a new generation of fuel-efficient cars may not only make motoring more affordable and reduce our carbon footprint. It may also revitalise the Australian automotive industry. These are all things worth fighting for. These are things which the Australian government stands ready to fight for in partnership with the automotive industry.

**International trends**

Rising petrol prices and environmental concerns are not unique to Australia. They are driving what KPMG calls a tectonic shift
in consumer demand towards greater fuel efficiency right around the world. Fuel efficient does not necessarily mean small. People are demanding lower fuel consumption in every vehicle class. The two fastest-growing segments in most markets are small cars and SUVs. Australia is no exception to this bipolar trend. It is unclear how long our love affair with the SUV will last. Only this week, GM in the US announced a dramatic readjustment to its product mix in response to higher fuel prices and changing consumer preferences. It will close four North American truck and SUV plants and focus on fuel-efficient vehicles—including a new petrol-powered four-cylinder compact, an expanded range of hybrids and the electric Chevy Volt.

These changing preferences—or at least the trend towards smaller cars and smaller engines—are reflected in the emission figures. In the decade from 1995 and 2004, average emissions from new cars sold in the EU-15 fell from 186 grams of CO2 per kilometre to 163 grams. In Australia, CO2 emissions have fallen 10 per cent, from 252 grams per kilometre in 2002 to 226 grams last year. These are encouraging trends, but we need to do much better.

**Under the bonnet**

Much of the focus around the world is on alternative fuels. Ethanol and other biofuels have several advantages. They are renewable, they can be blended with traditional fuels for use in existing vehicles and they can be distributed through existing channels. On the downside, conflicts can occur when agricultural land or wilderness is turned over to growing biofuel feedstocks. Clean diesel is hardly an alternative fuel in Europe, where half of all new cars are diesel powered, but it is still a novelty in light vehicles elsewhere. Diesel produces 25 per cent less CO2 than petrol but more nitrogen oxides and particulates.

The modification of existing vehicles or vehicle designs for LPG is straightforward. Gas is a less efficient fuel than petrol, but, because it is significantly cheaper, using gas can still result in lower running costs. LPG is a good short-term alternative to petrol, which is why we have retained the LPG vehicle scheme. Hybrid cars have been capturing the headlines since Toyota released the Prius in 1997. PricewaterhouseCoopers estimates that 541,000 full hybrids were produced in 2007, and that this should quadruple to 2.2 million by 2015. Further down the track there is hydrogen. There is a general expectation in the industry that hydrogen fuel cells are the technology of the future.

There are plenty of other fuel-efficient ideas we can exploit right now. We can make vehicles lighter and more aerodynamic. We can downsize engines. We can supercharge and we can turbo-charge. These are all important measures.

**The Australian industry**

Is the Australian automotive industry equal to the affordability challenge? Is it equal to the challenge of climate change? We on this side of the House believe that it is. The transformation of this industry over the past 25 years has been astonishing. Today the industry is export focused and innovation driven. It is increasingly integrated into global supply chains. It has earned a place at the international table on the strength of its engineering and its design. This is due in no small part to the visionary industry policy of the Hawke government—known, in honour of its chief architect, as the Button car plan. Tough decisions had to be taken and big investments had to be made to improve efficiency and productivity. The challenges facing the industry 20 years ago have in large part been addressed. Now there are new challenges.
Can the industry reinvent itself once more? We believe it can. The process has already begun. Holden offers a dual-fuel petrol-LPG variant of its Alloytec V6, while Ford produces vehicles with a dedicated LPG E-Gas engine. Ford has also announced that it will be assembling the four-cylinder Focus in Australia from 2011 and renewing its commitment to exports. Toyota already produces a four-cylinder Camry here. Globally, the company has stolen a march on its rivals in hybrid technology, and it is doing exceptionally well in the domestic market. All three domestic manufacturers recognise that their survival as niche players in a cutthroat global market depends on their capacity to innovate.

Towards a new car plan for Australia’s future

The government’s view is that we need an Australian automotive sector that is sustainable in all senses—economic, social and environmental. It is to boost productivity, innovation, exports and skills by harnessing the creativity of every player in the industry.

Two decades ago the industry needed a plan to consolidate, increase its efficiency and lift its international competitiveness. Today it needs a new plan to drive the development of next-generation, fuel-efficient vehicles—to help motorists’ budgets and to help the environment. That is why, in planning for the future, fuel efficiency, including hybrid technology, will lie at the heart of a new car plan for Australia to help motorists and to help the environment.

The Australian government has commissioned a review of the Australian automotive industry to help inform policy settings. Like any new area of government policy, there will be a range of views on industry and climate change policy settings. There always will be, there always have been and there are today as well. Departments, agencies, industry, academics, and non-government agencies often have different views on policy and all have something to contribute to the debate. Some argue for an activist industry policy. Others will argue against such a policy. Governments of all persuasions have recognised the need for balanced policy when it comes to the car industry—for regular review and for assessing the situation each time in light of the prevailing economic conditions.

For example, in 1997 the Howard government decided not to proceed with planned tariff reductions because it thought industry needed more time to adjust. In 2002, the Howard government decided on an industry support program—the Automotive Competitiveness and Investment Scheme—that it described as going ‘far beyond what was recommended by the Productivity Commission review’. Now there are new considerations for industry and climate change policies:

• the global challenge of climate change and the need to reduce carbon emissions; and
• the challenge of rising fuel costs and the need to reduce fuel consumption.

The government’s view is that we cannot stand to one side as these challenges emerge. The government has a responsibility to act, in partnership with industry—working with industry to address the environmental challenge and the fuel challenge faced by motorists.

The government has already demonstrated its intention to act in this area, establishing the $500 million—the half a billion dollar—Green Car Innovation Fund. The fund will operate for five years from 2011 to accelerate the development and manufacture of low-emission and fuel-efficient vehicles in Australia. The government will contribute $1 from the fund for every $3 put up by indus-
The government will not be committing the entire fund to one vehicle, company or technology. Any idea with a serious chance of reducing the carbon and other environmental impacts of Australia’s vehicle fleet will get a hearing.

When all is said and done, we do not just want a green car; we want a green car industry—an industry that can provide secure, high-skill, high-wage jobs by meeting the global demand for a wide range of greenhouse-friendly technologies, and an industry that is itself a model of clean and green production. As an added incentive, the government has issued a green car challenge to the local industry, pledging to purchase value-for-money, environmentally sensitive vehicles for the Commonwealth fleet if they are produced in Australia. We could see 4,000 green cars in the Commonwealth fleet by 2020. Going green will mean lower operating costs for the government, just as it will for motorists struggling under the pressure of high petrol prices.

At today’s fuel prices, a family currently driving 20,000 kilometres a year in a conventional six-cylinder petrol car that achieved 11 litres per 100 kilometres could expect to save somewhere between $300 and $1,100 per annum on fuel costs by switching to green car technologies. For a high-tech, green, petrol-powered car of the same size with cylinder deactivation, turbo-charging or direct injection, the saving could be $330 a year. For a diesel car it could be $374 a year. For an LPG powered car it could be $1,092 a year. As for petrol-electric hybrids, the saving could be $990 a year. Multiply these savings over the life of the vehicle, and you begin to make a real difference to the family budget.

Above the bonnet

What about above the bonnet as well? Advances in vehicle technology will be critical to increasing fuel efficiency and reducing greenhouse emissions, but they can never be the whole story. Producing green cars must be part of a larger effort to reduce greenhouse emissions across the board. That is what our emissions-trading system will do. Emissions trading will be the biggest economic and structural reform in Australia since the 1980s. It will take some adjusting to. There can be no doubt, however, that the cost to business and Australian families, and Australian workers more generally, will be far greater if we fail to act than if we take responsible action now.

One way to minimise greenhouse gas emissions is to keep the traffic moving. To do that, we need well-planned cities and good transport infrastructure. That is why the government is committed to a more integrated and coordinated approach to city management and development.

We have also established Infrastructure Australia to audit our infrastructure needs and prioritise infrastructure investments around the country. We have announced the establishment of the $20 billion Building Australia Fund, which will invest in nation-building, productivity-boosting, congestion-clearing infrastructure from 2009-10. Infrastructure Australia’s investigations will guide how money from the fund is spent. Finally, we can green Australian motoring by giving motorists better information that will help them buy and drive with fuel efficiency in mind.

The future

Greening Australian motoring will require continuous innovation. A steady supply of fresh ideas will be required to create and sustain a fuel-efficient and environmentally-friendly car industry here in Australia. Participants in the sustainability stream at the 2020 Summit stressed the need for rapid development of low-emission technologies.
They argued for a significant increase in R&D to drive innovation.

Innovation is often about radical, long-term change. It can also be about incremental change with short-term pay-offs. The King review commissioned by the UK government concluded that fuel consumption for new vehicles could be cut by 30 per cent within the next five to 10 years using existing technologies. Such innovations here would mean real benefits for Australian motorists, for Australian industry, for Australian jobs and for the planet. It is a transformation that can begin right now in 2008 as we forge a new plan for the Australian car industry based on the findings of the review which is currently underway.

This is an important policy direction for the future, as is a policy direction to enhance our investment in urban infrastructure. As I have said in this place before, how is it that we reached the 21st century with our major cities in this country still unable to boast one significant metro system among them? This is a priority which must be addressed for the future—helping motorists with more fuel-efficient cars but also helping reduce the commuting time for those cars on the road.

Innovation will be central to a new car plan for Australia, so will the needs of working families, working Australians and those doing it tough. We will boost our manufacturing capacity. We will be protecting our environment. It will be a plan for the future. It will be a plan for the long-term future and a plan for a new generation of greener, more fuel-efficient cars.

Mr ALBANESE (Grayndler—Leader of the House) (1.40 pm)—by leave—I move:

That so much of standing and sessional orders be suspended as would prevent Dr Nelson speaking for a period not exceeding 20 minutes.

Question agreed to.

Dr NELSON (Bradfield—Leader of the Opposition) (1.40 pm)—This World Environment Day is an important day—as should be every day—for us to pause and reflect on the impact that human activity is having on our environment. It is time for our generation as Australians and as global citizens to begin to adjust to living on environmental interest instead of capital. It is about us beginning to adjust to the environmental deadlines that are bearing down on us. But it is not only about those who profess to lead and govern countries, states or local governments; it is about every one of us as Australians appreciating that the way in which we live affects our community and so too we can choose to live in a way which changes our world.

Symbolism is important, but it is substance that counts. Further, it is of little meaning to everyday Australians, whether they are working families, pensioners, carers, owners of small family businesses or men and women on the land, if we preoccupy ourselves only with the future and are indifferent to, if not aloof from, the day-to-day struggles of everyday life—none more so at the moment than getting petrol into the car, diesel into agricultural machinery and groceries into a shopping trolley.

I would also point out that over the last 11½ years an enormous amount of effort by the Liberal and National parties, the then coalition government, was put into securing Australia’s environmental future. There was, amongst many things, more than $5 billion invested in the Natural Heritage Trust, with more than 800,000 Australian volunteers, reflecting the goodwill in this community and the deep concern for environmental preservation, who worked the length and breadth of Australia from our cities and suburbs to regional and rural Australia to do everything they possibly could to support our local communities and local environment,
knowing that in the end that would make a better Australia and a better world.

We also contributed significantly to and invested in the preservation of species and habitat protection. None of us should ever forget that we human beings are but one species on this planet which we share with others. We also invested heavily in pest and weed control on over 50 million hectares of land—a size twice that of the state of Tasmania. We also invested in protecting eight million hectares of wetlands and many other areas of this nation’s continent that are so important to preserve for our country’s future and that of the next generation.

We established the Australian Greenhouse Office and, through a variety of initiatives, the Howard government took out 87 million tonnes of greenhouse gas emissions that would otherwise have been emitted by 2010. All of that has saved what is equivalent to 14 million cars, trucks, buses and other vehicles on Australian roads contributing to, as the Prime Minister referred to, carbon dioxide and carbon emissions.

We developed and invested in the National Water Initiative, the Australian Government Water Fund and a variety of national and local projects to preserve and protect Australia’s water security. We developed water efficiency and labelling standards, which had been unknown to everyday Australians, to give each of us in our day-to-day lives an opportunity to actually understand the water efficiency or otherwise of what we do and that which we buy.

Ten billion dollars was announced and invested in the Murray-Darling Basin Initiative by the then Prime Minister, John Howard, in January 2007. Half a billion dollars was invested in the Low Emissions Technology Demonstration Fund. Then, the former foreign minister, the member for Mayo, developed and announced the reafforestation initiative, particularly for South-East Asia, appreciating that trees that we can keep on the ground and that we can get into the ground, not just in our own country but also in areas of the world that have been stripped of their forests, are a significant way of reducing global greenhouse gas emissions.

In relation to climate change, the world has warmed before and it is warming again. There are those who question that science. Our party perhaps takes the view that we will give the planet the benefit of the doubt. We recognise, however, that Australia, which produces in the order of only 1.4 per cent of global greenhouse gas emissions, cannot in itself solve the problem of climate change and the extent to which human activity is contributing to it. However, if we do get this wrong, we can do enormous damage to this nation’s environmental and economic future. All of us need to appreciate that, particularly through the leadership of the previous Prime Minister, John Howard, steadfastly standing by the view that we must have a genuinely global solution to address climate change played a significant role in bringing the then opposition, now government, also to that view on the eve of the last election in November last year. We believe that what happens in Copenhagen in 2009 and then what is finally agreed by 2012 must include the major emitters of the world. To not do so will abrogate our responsibilities to the future that we will leave the next generation of Australians.

We believe that it is absolutely essential that we go into this with our economic eyes wide open. When we on this side of politics have carefully scrutinised the report that will be delivered finally by Professor Garnaut to the government, we will do what we believe and know to be right and in Australia’s environmental and long-term economic interests. If we continue the way we currently are, by 2050 India and China alone will be produc-
ing about one-third of the world’s global greenhouse gas emissions, more than the United States, the European Union, Brazil, Japan and Australia combined. Everything that we did in government, everything that we must see our new government do, must be to ensure that we have a genuinely global response, because if we do not we will simply transfer industries and jobs from Australia to countries that are far less environmentally focused on the global response to climate change.

It is also important, in terms of leadership, that the Prime Minister appreciate that it is one thing to capitalise upon the understandable and widespread community support in this country, supported by our side of politics, to genuinely face the challenge of climate change. But it is not leadership to equally capitalise upon the widespread level of ignorance in our community about what that is actually going to cost. Australians need to understand that, in an emissions trading scheme, if we have carbon priced at $25 to $40 a tonne, that will mean somewhere in the order of 5c to 10c a litre more to the cost of petrol. We equally need to appreciate that, if we have a 60 per cent reduction in carbon emissions by 2050, then it is possible that in the absence of other policy initiatives we will see domestic electricity charges rise over a two-year period by as much as 30 to 50 per cent. This is a cost that is coming down the line. It is quite possibly, when we have examined all of the evidence, a cost that our country will have to pay. Our side of politics will stand steadfastly to protect pensioners, carers, low-income Australians and everyday Australians struggling to feed, clothe and house their families. We will also ensure that we stand up for what is right in the sense of Australia’s long-term future, and we will ensure that we have viable industries in this country to provide that which we need as a nation, to export to the rest of the world and to provide jobs for Australian families and their children.

This side of politics believes, and the member for Flinders has argued for some time very effectively, that we need a domestic car industry. Of course we do. But we also need clean fuels, biofuels which are predominantly produced from waste. We need to put further technology into cleaning up diesel and to ensure that the LPG subsidies and financial assistance continue. It should not be forgotten by anybody who just listened to the Prime Minister that the LPG subsidy—Australians getting $2,000 to convert to LPG—almost went under the bus in the government’s recent budget. We will be vigilant to see that that is continued. We also need to develop a hydrogen fuel source and fuel industry here for Australia. We must also focus on clean engines, hybrids and plug-in electric vehicles for our country. Governments using hard earned taxpayers’ dollars need to show leadership by choosing to purchase and equip their fleets with environmentally friendly vehicles. It is not just the Australian government; it is also state governments and local governments, and there should be a coordinated strategy in that regard.

Whilst I agree with most of what was said by the Prime Minister in his statement on the environment for this World Environment Day, there are enormous inconsistencies in this government’s approach. We had in the budget an increase in the luxury car tax. Hybrid cars get slugged with tax just as much as Hummers. We also heard the Prime Minister refer to, and indeed applaud, the investment by BMW in microhybrid technologies—BMW’s of course have just been taxed further by the same government. One of the early decisions of this same government was to break the commitment by the previous government to sell Australian uranium to India for peaceful domestic power energy genera-
tion, when India has a voracious appetite for energy and a growing carbon footprint. It is one of a number of inconsistencies. The greatest inconsistency is on something that affects every one of us and is hopefully something which we will increasingly be turning our attention to as everyday Australians—that is, solar power and solar power in our homes. Every one of us asks ourselves, ‘What can I do individually to make my contribution to live on environmental interest instead of capital?’ One of the key things Australians do is buy solar power and put solar panels on their homes.

The government in its budget announced a $100,000 means test of family income for the solar panel rebate. In other words, if you are a teacher and your wife is a nurse, or, if you are a policeman and your husband is a truck driver, you will no longer get an $8,000 rebate to put solar panels on your roof. I have just returned from Queanbeyan, where I met a man and a woman called Phil and Sophia May, and their daughter, Abi. They have been met by another one of Australia’s leaders. In fact, just over a year ago, our now Prime Minister went to see Phil and Sophia May. They run a very small company called Solartec. They are a husband and wife with a young child—Abi. I was told by Phil and Sophia May that Abi was held by the Prime Minister. In March last year, when he was the Leader of the Opposition, the Prime Minister said:

Solar is the most greenhouse-friendly energy on the planet, and, therefore, we just need to take some practical steps for as many families as possible to invest in this.

In case the Prime Minister has forgotten, this photo shows us Phil and Sophie May and their daughter, Abi. Prime Minister, remember them. This is the family running a small business, employing a mature-age apprentice, trying to help Australian families contribute to a better climate, to a better world, by putting solar panels on their roofs. This Prime Minister’s government has decided that, if you are a policeman married to a teacher, you will have to pay full-tote odds of $15,000 to $20,000 to go green friendly in terms of your energy generation at home. I also point out to the Prime Minister that this is a small business. This is an industry which we are trying to encourage in its development. We have speeches from the Prime Minister—all kinds of stardust and waffly sorts of speeches—about what might happen in 2020. I point out to the Prime Minister on this World Environment Day that there are real people with real families to feed, house and clothe, and real cars to drive, which need petrol put in them, who are concerned about the environment, and the Prime Minister of this country is saying that, once you earn $100,000 a year, you will get no encouragement whatsoever to go green.

But it becomes more shameful. On this World Environment Day, what would you expect the environment minister of Australia to say about solar power—called ‘the most greenhouse-friendly energy source in the world’ by our Prime Minister? This morning our environment minister, explaining why the means test was put on the solar rebate, said:

It was a program that was overheating and we want to bring some sustainability into this program.

I do not know what planet our environment minister is on, but it is not planet Earth. On World Environment Day, our environment minister is so concerned about the rapid rate of uptake of solar power in Australian households that he wants to put a brake on it. If he was Scaifey out the front at Sandown, he would slow down. What is important here is that we have a government that professes to have a commitment to Australia’s environmental future but, at the same time, by its actions—as distinct from its rhetoric—is
actually undermining Australia’s best long-term environmental interests. There are Australians today who are making decisions about whether they can afford another 10 litres of petrol in their car today.

We have heard from the Prime Minister about the clean car and the investment fund which will start in 2011 and hopefully lead to an outstanding green car in Australia—all of which is supported by this side of politics. What is important is that we also focus on and never neglect the day-to-day concerns and struggles of everyday Australians. So at the same time we invest in renewable energy, at the same time we invest in hybrid cars, at the same time we invest in electric cars and at the same time we support our car industry in developing a clean car future for this country. I say to the Prime Minister of this country: give them a break now. Cut the exercise on petrol. Stop just watching fuel. Give this country an environment minister who can at least decide he thinks it is better if people get more affordable petrol. Give this country leadership, not only for 2020 but for 2008. Prime Minister, make decisions and give this country an environment minister who actually thinks it is a good idea to have solar power and, most importantly, be man enough to go back to Phil May and his family and explain to them what you have done and drop the means test.

BUSINESS

Mr ALBANESE (Grayndler—Leader of the House) (2.00 pm)—Mr Speaker, on your indulgence, I would like to update the House. For the benefit of members on both sides of the House and parliamentary and political staff, it is the intention of the government to have the debate that was interrupted earlier today completed at or before six o’clock with the cooperation that we have received—and I will put on record that we have received it from both sides of the House. There will be an MPI debate; it might be truncated. That is a decision for the opposition to make. I thank both sides of the House and everyone for their cooperation.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

The SPEAKER (2.01 pm)—I have ascertained that His Excellency the Governor-General will be pleased to receive the address-in-reply, at Government House, on Tuesday, 17 June 2008 at 5 pm. The sitting will be suspended at 4.30 pm that day. I should be glad if the mover of and the second to the motion, together with other honourable members, would accompany me to present the address.

QUESTIONS WITHOUT NOTICE

Renewable Energy

Mr HUNT (2.01 pm)—My question is to the Minister for the Environment, Heritage and the Arts. I refer the minister to his visit with the now Prime Minister last year to SolarTec Renewables Pty Ltd owned by Phil May and his wife, Sophia, where he and the Prime Minister launched Labor’s solar policy. Since the decision to means-test the solar panel rebate, Mr May has lost more than $500,000 in business, has had to give notice to three trusted staff and said publicly, ‘They have totally destroyed the solar industry, absolutely and totally destroyed it.’ Will the minister now apologise to Phil and Sophia for destroying their business and reverse his disastrous decision?

Mr GARRETT—I thank the honourable member for his question. This government is fully committed to Australia’s solar industry and will remain so. Furthermore, the measures outlined in this budget ensure the sustainability of a solar industry for the long term and address those issues which the former government had not addressed in terms of the delivery of this particular program. I
say to the member opposite: this government will bring forward a commitment of some half a billion dollars for Solar Schools, a commitment which will include the delivery of solar panels to Solar Schools, a commitment which was not present in the policies of the former government.

This government will bring forward a commitment to Solar Cities, an additional commitment on top of the commitment provided by the former government. I will point out to the members opposite that the government brought forward spending for this particular program—some $25 million was brought forward to the $150 million outlay. If this program had continued in the way in which it was constructed previously, it was agreed by both industry parties and others that it was overheating. We are producing a policy solution which will deliver sustainable growth and we are in close contact with the solar industry. We will monitor this program closely and we have every expectation that this program with the commitment of $150 million over three years, as opposed to $150 million over five years—

Mr Hunt—Mr Speaker, I rise on a point of order to do with relevance. The question was about an apology.

Mr Albanese—That was yet again an abuse of a point of order.

The SPEAKER—The preamble went to wider issues to do with the question of solar panels, the solar industry and decisions of government. The minister is responding to the question.

Mr Garrett—The government has a strong commitment to the solar industry. I make no apology for the fact that we are bringing forward programs which will ensure the sustainability of the solar industry into the long term.

Asia-Pacific Region

Ms Parke (2.05 pm)‐My question is to the Prime Minister. Will the Prime Minister inform the House about any new thinking on developing stronger links throughout the Asia-Pacific region?

Mr Rudd—The government was elected on a platform of delivering responsible economic management, of assisting families, working Australians, pensioners and carers under financial pressure, and also of planning for Australia’s long-term future. The government is planning for the future of our infrastructure, planning for the future of our health and hospital system, planning for the future of our education system but also planning for Australia’s future in our own immediate region.

When it comes to our future in the Asia-Pacific region we in this country face, in the 21st century, the Asia-Pacific region becoming the centre of global economic power and progressively the centre of global strategic power. Therefore, we have a challenge on our hands. We either allow the future to wash over us or seek to engage, plan and shape the future to the best interests of Australian families and Australian working people. The most core interest which every Australian in every constituency represented in this House has is: how do we ensure that Australia operates in a regional environment of peace and security into the century?

Right now in the Asia-Pacific region we do not have a body which brings together a common security dialogue, a basis of common security cooperation between the major powers of our wider region—the United States, China, Japan, Indonesia and India. It is time Australia began to shape this agenda, which is why this government has put forward a proposal that we should have an ambition for the region to create an Asia-Pacific community which can, for the first time,
have a pan-regional dialogue on the question of our common security. We should not succumb to the inevitability, as some suggest, that there is some real, long-term prospect of war within our region without putting in place mechanisms to ameliorate that risk.

Furthermore, on the economic agenda, we must ensure that we have the best mechanism possible to bring about free trade across our wider region. We have a series of bilateral free trade agreements which perform a function. We have negotiations underway through the World Trade Organisation at present. But right now across the Asia-Pacific region there is a great danger that we will end up with a bowl of spaghetti rather than an integrated set of free trade agreements of the type that the President of the United States is advocating.

Beyond that, what we need across the Asia-Pacific region is increasing counterdisaster cooperation. Most recently we have seen extraordinary natural disasters in Burma and China. As a region, we need to make sure we have a capacity to respond to these disasters when they occur in a timely fashion so that the region can work as one in dealing with what is increasingly a grave threat to the peoples of our wider region.

On the matter which has been the subject of the most recent question, and discussion in the House before with ministerial statements, climate change, we need also a body which works across the Asia-Pacific region, where China and India loom as enormous, long-term emitters, making an enormous long-term contribution to the overall effect of global warming. We must have a mechanism to engage them within our wider region.

So what is the government’s proposal? The government’s proposal is not simply to allow the region to drift. The government’s proposal is not simply to allow regional organisations to crop up one after another and not in a properly coordinated fashion. The government’s ambition is this: let us, Australia, in partnership with our friends and allies across the region, work towards an ambition of bringing about an Asia-Pacific century. Those opposite may deride that as a legitimate ambition for Australia. We on this side of the House do not.

In terms of our country’s long-term security interests, economic interests, trade interests, environment interests, the way in which we manage our investment interests and the handling of natural disasters in our part of the world, making sure that we have the most effective regional cooperation arrangements in a body which, once and for all, brings the United States, China and India into a common body to shape our world, our region’s future, is the government’s ambition. I invite those opposite to support that ambition.

Renewable Energy

Mr LINDSAY (2.10 pm)—My question is to the Minister for the Environment, Heritage and the Arts. I refer the minister to comments made by Scott Humphreys, renewable energy consultant at Eco-Kinetics, who states:

I’ve gone over the figures and estimate our sales to reduce by around 85 per cent taking into account new sales strategies. The loss of sales will therefore filter through the industry and inevitably lead to higher prices and job losses, including mine.

Will the minister now apologise to Mr Humphreys? Will he save his job? Will he reverse this disastrous decision?

The SPEAKER—I call the Minister for the Environment, Heritage and the Arts.

Mr Laming—Formerly working families!

The SPEAKER—Order! The member for Bowman is now warned!
Mr GARRETT—I thank the honourable member for his question. I think it is time to lay out for the House the history of the support for the solar industry in this country over the last two decades and make very clear that the posture of the former government—those now sitting opposite us—has never been to have significant support for solar, none whatsoever. As I recall, you were always supporting nuclear, not solar. It was your former leader who made it perfectly clear, as I recall—

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

Mr GARRETT—that renewables were on the margin, not in the centre of this debate. I listened carefully to the question that the honourable member put.

Mr Pearce—On a point of order, Mr Speaker: would you encourage the minister to address his remarks through the chain.

The SPEAKER—I have. The minister knows that he was to refer his remarks through the chair. I did that. The member for Aston may not have heard because of the hubbub around him.

Mr GARRETT—The fact is that previously, under the former government, this was a five-year program. They had perfect notice that this program was oversubscribed and would have overheated and produced in the solar industry demand fluctuations such that it would have made this industry very difficult to be sustainable. The government has brought forward rebates, increased the number of rebates that are available and compressed a five-year program into a three-year program, thus providing for greater sustainability for the solar industry, something I have pointed out to representatives of the industry when I have met with them and heard their concerns. But we have done much more than that.

We have produced a plan for low-interest loans which will see householders able to put solar panels on their roofs with low-interest loans made available to Australian communities. We have an investment of half a billion dollars for Solar Schools, which will see Australian schools able to put solar panels on their roofs, a program which starts after 1 July. Additionally, we have an emissions-trading scheme and a renewable energy target—all things which will contribute significantly to the capacity of the solar industry, an industry we want to see succeed and an industry which we have the policy settings to support.

Budget

Mr SULLIVAN (2.14 pm)—My question is to the Prime Minister. Will the Prime Minister outline the importance of maintaining a strong budget surplus to place downward pressure on inflation and interest rates? What are the threats to that strong budget surplus?

Mr RUDD—The latest release of the OECD’s Economic Outlook notes that the current economic situation across the OECD remains particularly unsettled. The OECD’s projection for the global economy also says: ... despite the fact that there is a view that the worst may be behind us in relation to global financial markets, there is still much uncertainty which lies ahead.

There is ‘much uncertainty which lies ahead.’ Of course, the consequences for Australia in the midst of this global uncertainty are acute. That is why the response of the government has been to bring about a budget anchored in this principle: responsible economic management. Therefore, the core of responsible economic management is defending the integrity of a $22-billion budget surplus. The logic is simple: if you allow public spending to escape, if you allow public spending to run riot, if you therefore contribute to public demand, you put upward
pressure on inflation and you put upward pressure on interest rates. When that happens, as those opposite know, having been responsible in terms of their fiscal policy settings for these trends to have emerged—and we have seen 12 interest rate rises in a row—the cumulative effect is that it affects long-term economic growth and it affects long-term employment. The logic is clear: indisciplined public spending leads in turn to higher inflation, leads in turn to upward pressure on interest rates, leads in turn to an effect on economic growth in Australia and leads in turn to an effect on employment. That is the core economic discipline we are confronted with here. The core element of our budget orthodoxy is a $22 billion surplus. Those opposite stand, by contrast, for a $22 billion raid on the surplus and, as each day goes by, they add further elements to the raid on the surplus. Day by day new things are added without one savings measure being announced by those opposite to offset their raid on the surplus.

Mr Tanner interjecting—

Mr Rudd—As the finance minister correctly interjects, where is the list of proposed savings by those opposite? Not one. Do I hear any objection about where the savings are to occur? Not one. So we stand difficult decisions: a $22-billion surplus, for which there will be, automatically, controversy in the Australian community. It was a tough decision but a tough decision anchored in responsible economic management for the future—in contrast to a $22 billion raid on the surplus, one which grows further.

Returning to what the OECD *Economic Outlook* had to say, it says on page 142 of the report:

To avoid rising inflation expectations causing strong wage growth, monetary conditions need to be kept tight until domestic demand and price pressures have moderated sufficiently. In this context,—

the OECD goes on—

the stabilising role that fiscal policy should play is welcome.

That is, ‘the stabilising role that fiscal policy should play is welcome’. Fiscal policy is what you do with your budget. Fiscal policy is whether you are going to have a robust surplus or not. Fiscal policy discipline is about whether you are going to defend that surplus. Fiscal indiscipline and economic irresponsibility equals a $22 billion raid on the surplus. So my appeal to those opposite, as each one of these items of legislation to do with the budget goes through the chamber, this House, and through that other place, the Senate, is to consider first and foremost your responsibility to the long-term economic interests of this nation. If you unleash a $22 billion raid on the surplus, which is your current stated plan, what it will do inevitably is drive up inflation and drive up interest rates and the impact on all Australians for that would be, in a word, disastrous.

Renewable Energy

Mr Hunt (2.18 pm)—My question is to the Minister for the Environment, Heritage and the Arts. I refer the minister to comments made by Mr Dean Mighell, State Secretary of the ETU, in a letter addressed to me and dated yesterday. He states:

The ETU was shocked to hear the Federal Government’s budget announcement that families who earn over $100,000 before tax are now ineligible for the $8,000 rebate for installing solar panels. This appears to have been an overnight decision. The ETU is not aware of any industry consultation that has occurred prior to this decision being implemented.

If the minister’s own unions are now highlighting the total lack of consultation, the job losses and the small businesses collapsing, why won’t he just reverse this disastrous decision?
Mr GARRETT—I thank the honourable member for his question and acknowledge his new-found affection for Dean Mighell and his willingness to cite Mr Mighell as an example of the economic approach of the opposition. The fact is that the Rudd Labor government takes sustainability seriously and it takes the solar industry seriously. It recognises that economic competence and economic capacity go hand in hand when designing programs which would see greenhouse gas emissions come down and us meet the challenges that we have with climate change. The fact is that this program was a five-year program which it seems the opposition were willing to let burn out.

Mr Pyne interjecting—

The SPEAKER—Order! The member for Sturt!

Mr GARRETT—We were not prepared to do that. We wanted a sustainable program. That is what it will be. I point out to members opposite that additional to the measures I have already outlined to the House—

Mr Pyne—You decided to strangle it now!

The SPEAKER—The member for Sturt is warned!

Mr GARRETT—we have a half-a-billion-dollar investment in renewable energy. We have half a billion dollars which we have identified for investment in renewable energy. We have a commitment to solar thermal. We have been talking about solar in this House for a long time and now this government is acting.

Mr Hunt—I seek leave to table the letter from the Electrical Trades Union.

Leave not granted.

Budget

Mr ADAMS (2.21 pm)—My question is to the Minister for Finance and Deregulation. Will the minister outline to the House the need for a strong budget surplus to put downward pressure on inflation and interest rates and the threats to that surplus?

Mr TANNER—I thank the member for Lyons for his question. The government faces a tough fight against inflation and, therefore, has handed down a tough budget with a $22 billion surplus that is central to that fight. Reducing public sector demand is crucial to that fight against inflation and crucial to ensuring that we maximise downward pressure on interest rates. It is vital that government spending restraint be allowed to work. That is why it is vital that government legislation to implement the budget is able to pass through the parliament by 1 July this year. If it does not pass by then, it could well be late August or early September at the earliest before the Senate considers the legislation again. That, in turn, would delay the implementation of these measures and threaten to erode the surplus and erode that government spending restraint.

The Liberal opposition are blocking a number of initiatives in the budget, a number of taxes and charges initiatives, and if they are delayed by three months it will reduce the surplus by almost $300 million. They include the increase in the luxury car tax, the reform of the condensate exercise fee, the increases in visa fees for foreigners and passport fees and the imposition of means tests for certain government transfer payments at the level of $150,000 of family income. We do not see too many huge issues of principle involved in the opposition’s stance on these issues. There are no broken promises; there are no issues that are essential to the philosophy of the Liberal Party. What exactly are they trying to stop? These are initiatives like removing an outdated tax break for big resource companies, charging foreigners more for visas and removing a punitive tax on middle-income earners that tries to force them to take out private health
insurance. Where are the big issues of principle that override the needs for fiscal responsibility and budget discipline? The answer is: they are not there.

The Leader of the Opposition is a very angry man. He is angry about almost everything. In the interests of fiscal responsibility, I am happy to chip in for a bit of anger management for the Leader of the Opposition because that might help the fiscal position of this nation. The Liberal response to the budget has been an empty, populist, posturing response. Their stated position would eliminate $22 billion from the surplus over four years and they have yet to put forward a single savings measure. They are adding to the list daily; the endless cavalcade of giveaways just keeps on growing. Yesterday it was another $975 million according to the Leader of the Opposition, taken from a supposed GST windfall on petrol prices to be given to pensioners. There are a couple of problems with this. Firstly, the Treasury calculation is that, if there is a ‘windfall’, it is $411 million and not $975 million, so the costing that the Leader of the Opposition came up with is slightly deficient. Secondly, there is a slight problem in that as people spend more on petrol because prices are going up there is a tendency for them to spend less on other things—things that have GST on them. So the actual increase in GST receipts to the states could be significantly lower even than that figure. And, finally, there is the fact that not content with raiding the federal budget surplus the Leader of the Opposition also wants to raid the budgets of the states because that is where the GST revenue goes. And, just like with the federal budget, he is happy to stand up here, lecture the states and say that their budget positions are not strong enough and yet, at the same time, advance positions that would weaken those budget positions.

I conclude by quoting from the Reserve Bank statement on interest rates that was issued on 3 June. It says:

… the Board has been seeking to restrain demand in order to reduce inflation over time.

… the Board’s current assessment is that demand growth will be moderate this year.

And finally:

Should demand not slow as expected … that outlook would need to be reviewed.

The message is crystal clear: if demand starts accelerating again, expect an increased risk of higher interest rates. And the one guaranteed way to increase demand is to erode the surplus; it is to take money away from the surplus. The Leader of the Opposition appears to have nicked his economic policy from some long forgotten 1970s Latin American military dictator. That is the origin of his economic position. Well, Generalissimo, the Australian people will not be very pleased. They will not salute you if your raid on the surplus—

Renewable Energy

Mrs MIRABELLA (2.27 pm)—My question is to the Minister for the Environment, Heritage and the Arts. I refer the minister to comments he made on ABC radio on 19 May 2008, where he stated in regard to the solar rebate:

I don’t agree with the reasoning that we are cutting back the number of people who are going to apply for it. It’s true that we’re cutting back the number of people who are entitled to apply for it, but that’s not cutting back the number of people that are entitled to apply for it.
What did the minister mean by this statement?

Mr GARRETT—I thank the honourable member for her question, and I point out to the House that, when the demand for this solar panels program and the rebate were seen to be heavily overheating, the responsible course of action was to ensure that the generous rebate went to those who needed it most. One of the things that intrigues me about this debate is that we are really trying to get a little bit too clever with the words that people utter.

Mrs Mirabella interjecting—

Mr GARRETT—And in doing that—

Mrs Mirabella—You’re so clever no-one knows what that means!

The SPEAKER—The member for Indi has asked the question. The minister has the call.

Mr GARRETT—I refer to comments from the opposition’s environment spokesman, Mr Hunt, on ABC radio this morning when he said the program was designed to be demand driven and not capped. That is the essential point here. The government has provided caps of some 6,000 rebates for Australians who are in a position, to who ought to be able to and who want to put solar panels on their roofs. Under the policies of the former government, the rebate that was available without any means testing would have used up the allocation of funding for that program within a remarkably short period of time. To explain even further, our expectation is that Australians who earn below $100,000 will seek to take advantage of the means test and take the rebate. We will monitor the demand for this program closely. We also anticipate that Australians will seek to take advantage of the other programs that the government has and as well show their enthusiasm for solar energy and seek to have solar panels on their roofs.

Mr Hunt—Mr Speaker, I seek leave to table the statement from the former Prime Minister, Mr Howard, of 9 May 2007 indicating that it was indeed uncapped.

The SPEAKER—The member for Flinders will resume his seat.

Mrs Mirabella interjecting—

The SPEAKER—The member for Indi is warned.

Budget

Mr BIDGOOD (2.30 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the minister outline to the House the need for a strong budget surplus to put downward pressure on inflation and interest rates, and how any delays in passing the Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008 will further hurt working families.

Honourable members interjecting—

The SPEAKER—Order! The House will come to order. The question has been clearly asked.

Ms GILLARD—I thank the member for his very clear question. In responding to the member’s very clear question, I know that he has a very deep concern for the circumstances of working families in his electorate and particularly providing assistance to working families with the cost of child care. As we have had cause to discuss in this House in the past, the government is determined to build future prosperity by investing in lifting productivity. There is much that needs to be done to lift the productivity performance of our nation. Today’s productivity growth is tomorrow’s prosperity. This productivity agenda is built on a solid foundation. That foundation is sound economic management and a surplus of $22 billion that fights inflation and puts downward pressure
on interest rates. Within the budget measures there is the Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill and it is an important part of the government’s productivity and participation measures.

The clock is ticking. The members of the Liberal Party have until the end of this month—to the end of June—to choose between responsible economic management and cheap, short-term politics. If they choose to oppose or delay the childcare bill, then they will be putting up in neon lights that they are wreckers of our productivity and participation agenda and they are people who would seek to deny a benefit to working families. What we are looking to deliver on 1 July through this legislation is an increase in the child care tax rebate from 30 per cent to 50 per cent, up to $7,500 of assistance per child per year. Importantly, this measure will be paid quarterly so families get timely assistance. We want to deliver that measure on 1 July. We know it will provide substantial relief for working families. Last night in speaking in the debate on this bill the shadow minister, the member for Warringah, said:

The fact that most people will be better off is beside the point.

Mr Abbott—Mr Speaker, on a point of order: in fairness to the House, she should give the full quotation, not just selectively quote like that.

The SPEAKER—The member knows that he has other avenues of the House to be able to rectify anything that he is aggrieved about. That is not the way to do it.

Ms GILLARD—I note the contribution of the member for Warringah, a man who dedicated his time as Leader of the House in my memory to fairness and balance in this House! Is that how we recall it? Not quite. That the member for Warringah said in the debate, ‘The fact that most people will be better off is beside the point,’ is a perspective that the government would like to firmly reject. We think the fact that working families are going to be better off is the point. We want to give them additional assistance with their child care. Obviously, the members opposite—the Liberal Party—do not understand the pressures on working families when it comes to child care. Any delay in passing this legislation will hit working families.

Unfortunately, hitting working families would not be out of character, given the opposition’s track record on child care. In the 11 years to 2007, the average fee for a child in full-time long day care increased by 76 per cent from $149 per week to $262 per week—a 76 per cent increase. In the 1996 budget, the assistance that the Liberal Party provided with the costs of child care was to freeze childcare assistance payments for two years. They did not understand then in 1996 that working families need assistance and they do not understand it now. We should remind ourselves that, in government, they also removed operational and capital work subsidies for community based centres, forcing a number of centres to reduce in size or close completely and forcing others to raise fees. If that was not enough, they also withdrew funding that was to support the construction of 5,500 new childcare places. Finally, under political pressure, they introduced the child care tax rebate, but then of course members of working families had to wait two years before receiving their first payment. This is a shameful track record on child care. That shameful track record would be added to in another disgraceful episode if the opposition held up our legislation which will bring fee relief to working families.
Fuel Prices

Mr DUTTON (2.37 pm)—My question is to the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs. I refer the minister to his remarks yesterday in the House where he said that the Office of Parliamentary Counsel was integrally involved in the drafting of Fuelwatch. I also refer the minister to evidence provided to Senate estimates by senior Treasury officials last night, who said that the Office of Parliamentary Counsel was not present during the marathon 35-hour all-night drafting session. Will the minister now take the opportunity to correct the record?

Mr BOWEN—The suggestion that a minister has misled the House is a very serious one and should not be made lightly. I was asked yesterday by the member for Dickson why the Office of Parliamentary Counsel was not involved in the drafting of the Fuelwatch legislation. He alleged or implied that there had been some skirting around the process and that the Office of Parliamentary Counsel was not involved in the drafting of the legislation. If there is any misleading of the House going on, it is going on on that side. In Senate estimates last night the Treasury confirmed that the Office of Parliamentary Counsel was involved in the drafting of the legislation. In fact, yesterday I undersold that involvement. It has been confirmed today that the Office of Parliamentary Counsel in fact did all the drafting of the legislation.

This was confirmed last night and I double-checked today. This is the advice to me—which I will table in a moment—from Mr Jim Murphy, Executive Director of the Markets Group of the Australian Treasury. He is, in effect, for those members who are not aware, the second most senior member of the Australian Treasury. It reads:

Questions have been raised in Parliament regarding the drafting of the Fuelwatch Bills. The drafting of the Fuelwatch Bills was undertaken by the Office of the Parliamentary Counsel. The instructing officers were Treasury officials. This is the normal process used for the drafting of Government legislation.

I table that document.

I understand the sensitivities of honourable members opposite, who do not want to get on the record the evidence of the Senate estimates for four hours last night and, by my last count, five hours so far today. What we have heard in Senate estimates is that the Australian Treasury endorsed the modelling of the ACCC and recommended Fuelwatch to the Australian government. Remember what we heard last week about how disgraceful it is not to listen to central agencies? Well, the Senate estimates last night heard, and Senator Coonan confirmed this morning, the advice that the Australian Treasury was comfortable with the work of the ACCC. For five hours so far today we have had a powerful argument for Fuelwatch from the ACCC, which those opposite do not want to hear. They can talk about process. We will talk about delivering benefits for the Australian people, which is what Fuelwatch does—as the Australian Treasury said last night and as the ACCC has said this morning.

Budget

Ms NEAL (2.41 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. Will the minister outline to the House the need for a strong budget surplus to put downward pressure on inflation and interest rates? What are the consequences for the minister’s portfolio if the budget measures are not passed by 1 July 2008?

Ms MACKLIN—I thank the member for Robertson for her question and her very real concern for families and older Australians, particularly those living on the Central Coast of New South Wales, who she knows are
really facing significant pressure as a result of inflation and of course rising interest rates. We know that inflation is the No. 1 enemy of Australian families and certainly other Australians who are doing it tough: pensioners, carers and others who are on fixed incomes. They are finding it very difficult to make ends meet with rising prices. So we know that the responsibility of the budget is to get this inflation issue under control.

Just this morning the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008 went through this House. What we are concerned about is that it is not held up in the Senate by the opposition, because this bill contains an important measure to help rein in spending—that is, the changes to family tax benefit B. If the Liberal and National parties in the Senate decide to delay this legislation until September, it is estimated that it could cost around $28 million. This would be a very substantial price tag for delay in the Senate. We on this side of the House have worked very hard to deliver a $22 billion surplus, primarily to help families and those who are finding it hard to make ends meet, to fight inflation. It is all about making sure we can fight inflation and keep downward pressure on interest rates. If the opposition does decide to block any of these measures in the Senate, it will have at least a $28 million impact on the surplus.

We have to be, and we on this side of the parliament intend to be, both economically and socially responsible. If the opposition pursue blocking this measure in the Senate, it will have at least a $28 million impact on the surplus. That will only hurt families, and other Australians who are doing it tough, by making our fight against inflation even more difficult.

Fuel Prices

Mr CIOBO (2.44 pm)—My question is addressed to the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs. I refer to the Fuelwatch regulatory impact statement and advice from Treasury contained in the leaked cabinet document. These documents advise that the proposed Fuelwatch scheme will result in ongoing increased operating costs to individual businesses of $4,000 per year, costing $20 million per annum in total. Why has the minister misled his own colleagues in this leaked caucus submission dated 3 June 2008, which states that the cost to business is zero?

Mr BOWEN—I would refer the honourable member to my second reading speech. I would also refer him to the numerous public comments on this from both me and the Prime Minister. The cabinet took a decision that the implementation costs of Fuelwatch for small business should be zero. Accordingly, that decision was taken in light of the regulatory impact statement. The cabinet weighed up that advice and gave me an instruction that the establishment cost should be zero. Accordingly, the ACCC have changed the model of implementation so that there is no software to be implemented by small business. They will be able to advise of the price on the ACCC’s website. They will be able to advise on a toll-free number and they will have zero cost. At the moment, that compares to—

Opposition members interjecting—

The SPEAKER—Order! The question has been asked; the minister has the call.

Mr BOWEN—That compares to at the moment where most, not all, service stations notify the website, which was characterised this morning by the Chairman of the ACCC as being anticompetitive, and inform sources of their price changes every time they change prices—as many times as it happens a day.
There will be one notification per day to the ACCC. I fail to see how one notification per day to the ACCC on a toll-free number or via email involves compliance costs for small business.

Mr Tuckey—Mr Speaker, I rise on a point of order. They do not open the phones in Western Australia on the weekend.

The SPEAKER—The member for O’Connor will leave the chamber under standing order 94(a).

The member for O’Connor then left the chamber.

The SPEAKER—Whilst I think his treatment was well needed, I say to the Chief Opposition Whip: I hope he cannot get an early flight.

Budget

Mr SYMON (2.47 pm)—My question is to the Minister for Health and Ageing. Will the minister outline to the House the need for a strong budget surplus to put downward pressure on inflation and interest rates and what the cost to the community will be if the opposition blocks measures to improve dental care?

Ms ROXON—I thank the member for Deakin for his question because, like many people in this House, he has large numbers of people in his electorate who are unable to get the dental care that they need. We have already heard from a number of ministers about the opposition’s approach to the budget and the pressure that that is going to put on inflation—the threats that will continue by raiding the budget surplus. But, in addition to those threats, there is an additional threat to the community, and the impact of the opposition’s delaying of the budget will come at a very high cost for those many hundreds of thousands of Australians who are waiting for dental care. In this budget we announced two new measures to improve dental care. Together they amount to $780 million worth of investment in dental care. The first is to implement the teen dental plan, a policy we took to the election last year. Starting in July, if the opposition does not persist with its obstructive approach, the government plans to invest $490 million to help more than one million Australian teenagers look after their teeth. Each eligible teenager will receive $150 towards an annual preventative dental check, including an oral examination, a scale and clean and X-rays where they are required. Preventative check-ups will also prevent cavities and other dental diseases and the need for more expensive dental procedures further down the track.

The second measure is $290 million to the states and territories to assist in clearing the waiting lists of 650,000 people around the country who are waiting for public dental treatment. We have to remember not only the impact on individuals but that 50,000 people every year end up in our hospitals with dental conditions that could have been prevented. So we know that helping people get early attention for their dental problems not only helps them but takes pressure off our hospitals.

So we see that the opposition’s approach is not only hurting the surplus and hurting inflation but hurting many hundreds of thousands of people. Interestingly, we know this problem is bad not just because I am telling you it is bad but also because the member for North Sydney has told us how bad it is. On 6 March the member for North Sydney said:

Dentistry remains out of the reach to those on low incomes with around 30 per cent of Australians unable to see a dentist because of cost.

Yet now we see the opposition wanting to delay this important measure. On 12 March the member for North Sydney said:

... 25.5 per cent of Australians have untreated dental decay; one in six Australian adults are lim-
ited in what food they can eat because of their teeth; and 50,000 Australians are hospitalised each year with preventable dental disease.

I wonder if that sounds familiar to any people on this side of the House, because it seems to me, when I go back and check, that the member for North Sydney was actually quoting from old Labor press releases. He seems to be singing from our songsheet. He is opening his mouth and my voice is coming out. It is quite disconcerting to think of Joe Hockey as the Milli Vanilli of the parliament. It is a worry. Just three months delay of this measure—

Mr Hockey interjecting—

Ms ROXON—I did not say that, but perhaps he is right—it may be more Meat Loaf than Milli Vanilli.

The SPEAKER—Order! Minister, I can hardly get the member for North Sydney to withdraw that remark about himself.

Ms ROXON—Just three months delay in this important measure will rob the community of nearly $40 million worth of dental care at a time when we know hundreds of thousands of people need it. Their approach to the budget is a threat to the surplus, it is a threat to inflation and it is a threat to hundreds of thousands of Australians who need dental care and want it as soon as possible.

Fuel Prices

Mr TURNBULL (2.52 pm)—My question is addressed to the Assistant Treasurer. On page 10, paragraph 71, of the regulatory impact statement relating to Fuelwatch, the Treasury lists seven elements of compliance costs which together make up the very substantial, nearly $4,000 per business, compliance cost associated with Fuelwatch. Only one of those seven is affected by the minister’s change in policy. The other six remain. Can the minister credibly justify to this House that there will be no compliance costs whatsoever on small business in the petrol-retailing industry as a consequence of this bill?

Mr BOWEN—I thank the honourable gentleman for his question. I refer to my previous answer. There will be no implementation costs for small business, and as for ongoing costs—one phone call a day, one email a day, with a toll-free number supplied by the ACCC. If the honourable member for Wentworth would like to explain to the House how that involves an ongoing implementation cost—one phone call a day on a toll-free number or one email a day—we would be very glad to hear it.

Budget

Mr RAGUSE (2.53 pm)—My question is addressed to the Minister for Infrastructure, Transport, Regional Development and Local Government. Will the minister outline to the House the benefits for the economy and infrastructure of the passage of the budget bills by 1 July?

Mr ALBANESE—I thank the member for Forde for his question and for his interest in infrastructure. I actually spent last Sunday in the electorate of the honourable member for Forde looking at the opportunities for an expansion of intermodal transport in the hinterlands of the Gold Coast. Just after that, I spent time in the electorate of the member for McPherson opening the Tugun bypass along with the Queensland Premier.

Our budget delivers a $22 billion surplus designed to put downward pressure on inflation and downward pressure on interest rates. This is a necessary precondition if we are to be able to put aside funds for nation building. The government has taken the tough decisions required to overcome the capacity constraints which are hindering our economy, as the Reserve Bank has identified on more than 20 occasions and as the Reserve Bank once again reminded all who looked at the press release released by the Governor of the...
Reserve Bank on Tuesday. We have delivered a budget that is economically responsible. The budget represents an important step towards turning around our economic growth prospects in the face of infrastructure bottlenecks and other capacity constraints. Unless we pass the budget bills, the size of the surplus will begin to fall, just between June and September, by at least one-quarter of a billion dollars. This will undermine our nation-building funds—the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund. You cannot put aside money for long-term infrastructure investment unless you have a strong budget surplus. A strong surplus is an essential component of long-term economic prosperity. It is a means to building a modern, highly productive economy.

By contrast, the approach that has been adopted by the opposition to our legislative agenda is not driven by a matter of high principle. This is an opposition that still has not come to terms with the judgement made by the Australian public just six months ago. It is prepared to blow a $22 billion hole in the budget and put at risk the money that we need to secure the nation’s long-term economic future in order to secure the short-term political future of the Leader of the Opposition. The time has come for the opposition to stop its short-term political games and let us, the government, get on with the business of long-term nation building.

Drought

Mr BRUCE SCOTT (2.57 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. Is the minister aware that exceptional circumstances drought support for farmers in 17 regions in Queensland and New South Wales is due to expire in 10 days, on 15 June? Can the minister confirm that Centrelink is already advising distressed and drought-stricken farmers in my electorate that they will no longer be receiving exceptional circumstances support? And, since the minister received advice on the future of these drought declarations many weeks ago, when will the minister give certainty to these rural producers and local communities and make a public announcement about the future of this vital exceptional circumstances support?

Mr BURKE—I thank the member for Maranoa for his question and for the opportunity to say publicly what I have said privately on this issue in conversations with many members on each side of the House. There are a large number of areas coming up for exceptional circumstances review at the moment. To say that I have had that report for many weeks is not strictly accurate, but you are right—it has been received by me.

Mr Bruce Scott—It expires in 10 days!

Mr BURKE—Yes, that is all appreciated. The concern is understandable and the concern is real. Many people from outside those regions would have been deceived by seeing images of floods over summer and would have thought that a flood means that a drought is over. It does not necessarily mean that, and it is important that reviews of exceptional circumstances are done accurately and in a timely way to try to give people certainty at the earliest possible opportunity.

There is a tension faced at these times—and I was speaking with one member from the opposite side of the House about this earlier today—which is the same tension that was faced by the previous government, which is that you want to make the assessment as early as possible in order to give certainty to people. At the same time, the earlier you make the assessment the higher the risk that you will actually disadvantage people by the answers that are given, if it does not subsequently rain subsequent to the assessment having been made. With that in
mind, I expect that I will be able to make announcements following the NRAC reviews in the very near future.

The issue of Centrelink officers making information available prior to a decision being made does concern me and I will make some inquiries about that. For the benefit of the House I also add, because there has been some misinformation around about the impact of the drought reviews which are currently underway, that the drought reviews which are currently underway go to what the policy should be for future droughts. For people in the current drought the rules which have applied on a bipartisan basis continue. The NRAC assessments are being done by the same people who were appointed by the previous government under the same rules with the same benefits.

Mr Bruce Scott—Mr Speaker, I am happy for the benefit of the minister to table a letter from someone, providing the name of the constituent is protected, who has received that call from Centrelink.

The SPEAKER—If the member is seeking leave, leave is not granted.

World Environment Day

Mr GEORGANAS (3.00 pm)—My question is to the Minister for the Environment, Heritage and the Arts. How is the government helping households to kick the carbon habit, the theme for the 2008 World Environment Day?

Mr GARRETT—I thank the member for his question and note his continuing strong interest in and concern about the environment. The United Nations has declared the theme for World Environment Day 2008: ‘Kick the habit! Towards a low carbon economy’ and for our part the Rudd government is taking a whole-of-government comprehensive approach to the whole-of-planet problem of climate change. Earlier today the Prime Minister spoke in the House about the positive contribution Australian car manufacturers can make in helping the transport industry kick the carbon habit.

A further example of the comprehensive approach we are taking in addressing the risks of climate change came with the $2.25 billion Caring for Our Country program designed to build the resilience of our natural and farming landscapes in the face of climate change pressure. I was pleased that this week we could announce a major initiative, the launch of Australia’s 25th Indigenous protected area, the Kaanju Ngaachi, Wenlock and Pascoe Rivers Protected Area, covering some 2,000 square kilometres of wet tropical forest country and sand ridge country between Lockhart River, Cullen River and Weipa on Cape York. As well as building nature’s buffers against climate change, this brand new protected area will create meaningful work for Indigenous people in some of Australia’s most remote areas, helping more communities access the social, economic and educational benefits that IPA communities already experience.

The government will establish an emissions trading scheme. Additionally, the government knows that we must act decisively now to slow the rate of Australia’s greenhouse gas emissions. That is why we are also committed to a range of complementary measures, particularly in the area of energy efficiency, sometimes known as the so-called ‘low-hanging fruit’. We want to give Australians the opportunity to pick that low-hanging fruit and reduce greenhouse gas emissions and save household energy bills.

Today the challenge to reduce those emissions on a domestic front was brought home with the release of a new report, *Energy use in the Australian residential sector 1986-2020*. The bottom line of the report is sobering: a forecast increase in energy usage of some 56 per cent by 2020 with a growth of
almost four million homes and 1,000 million square kilometres in that time. But the real news in the report is not the size of the challenge—we have accepted that energy use is increasing; we have known it for some time. It is the fact that we take up the opportunity to enable householders to respond as they use energy by getting access to consumer information with minimum standards for energy use that is a powerful tool for them which encourage innovation and see the deployment of existing technologies so consumers can make smart decisions and achieve fantastic results for the growing number of households and for the environment.

The other message from this report is that Australia has lagged behind in energy efficiency improvements. So today I am pleased to report to the House that as well as taking the steps along the path of existing energy efficiency measures, including appliance standards and labels, additionally we have announced important steps in the budget—a total of $1 billion in support for Australian households and communities to tackle climate change. We have also committed $14 million to put the energy efficiency of electrical appliances on the fast track, giving Australians better information as well as providing an incentive for manufacturers and importers to continually improve their products. As well, we are hitting the accelerator pedal with additional initiatives of a new television labelling scheme to enable consumers to identify the most energy efficient sets at point of sale with an expansion of the label to identify super efficient products. There is a new guide to help householders, and in particular renovators, to identify ways to incorporate energy saving measures in their homes, and, with the boom in household renovations, this will be well received. And there is also the acceleration of the phase-out of traditional incandescent light bulbs.

Not only are we bringing significant new measures forward; we are also speeding up and strengthening things that were begun earlier. Each of these measures is important. Each of them shows the commitment that the Rudd Labor government has on issues of climate change and on recognising the importance of energy efficiency. Given the debate and the questions that we have had in the House today on the matter of where the opposition has been on climate change and on questions of this sort, I referred in the House the other day to the statement by the member for Flinders when in government concerning the gift of a Wollemi pine tree to the King of Sweden, which was described as a ‘symbolic gesture’ of action being taken to tackle climate change. I simply say this: imagine the conversation when the member for Flinders had the discussion with his Majesty, the King of Sweden. ‘Your Majesty, I am from the Howard government. We won’t sign Kyoto. We won’t set a target to reduce emissions. We don’t like emissions trading very much. We think Al Gore is a fraud. Our backbenchers spend a lot of time writing reports about climate change on other planets. But anyway, here is a Wollemi pine tree as a symbolic gesture of our commitment.’

Opposition members interjecting—

The SPEAKER—Order! If those on my left will come to order, I am sure that the minister will go to conclusion.

Mr GARRETT—The opposition has been concentrating on the question of means tests for rebates. May I point out that the member for Wentworth has means-tested rebates for solar hot water at the level of $100,000. We have a commitment to the solar industry and to addressing climate change and we have a commitment to ensuring that the Australian people know that on this side
of the House we are fair dinkum about these issues, not full of symbolism. This is the place of substance.

Mr Hunt—Mr Speaker, I raise a point of order. Strangely, that was not the conversation.

The SPEAKER—Order! The member for Flinders will leave the chamber for one hour.

Opposition members interjecting—

The SPEAKER—On reflection, if the member will come to the dispatch box and at least acknowledge that it was not a point of order, and apologise—

Mr Hunt—I am happy to apologise, Mr Speaker.

Mr Tanner—Mr Speaker, on a point of order, are you going to at least warn the member for Flinders?

The SPEAKER—I think he knows he is on very thin ice if he misbehaves now. That sort of indulgence from the chair is not something that is given lightly. I have used my discretion to the nth degree.

Mr Albanese—Mr Speaker, on a point of order, I have raised the issue of points of order being used inappropriately and repeatedly by those opposite. The member for Flinders is a repeat offender. There have now been some 270 points of order moved by those opposite in just the first five-month sitting of this new parliament. I hope that your indulgence is respected by less frivolous points of order from those opposite.

The SPEAKER—I dealt with the member for O’Connor in similar circumstances, which is an indication—

Mr Albanese—We never got that indulgence when we were on that side!

Opposition members interjecting—

The SPEAKER—Order! I will let that ride because any comment I make will be misinterpreted as a reflection on predecessors. I am in the chair and I will try to the best of my ability to ensure that the dignity of the House is upheld.

Small Business

Mr HARTSUHKER (3.10 pm)—My question is to the Prime Minister. I refer the Prime Minister to the census business index which shows small business confidence in the policies of the federal government has fallen a massive 53 per cent since the election of the Rudd government. Prime Minister, why has small business confidence in the government plummeted?

Mr RUDD—I draw the honourable member’s attention to one core fact, and that is the cumulative impact of 12 interest rate rises in a row. Twelve interest rate rises in a row have an impact on the real economy and real perceptions—obviously, a legacy which the member for Higgins is enormously proud of, given it caused him great mirth when I mentioned 12 interest rate rises in a row. For those out there struggling in small business and doing it tough, for those out there who are trying to balance the family budget, let me say that 12 interest rate rises in row add up to a real effect on the economy, which is why this government has a clear-cut plan for dealing with the challenge of inflation.

Let me go through it again for the benefit of the member for Cowper. If you allow public spending to rise without constraint, as those opposite now recommend, it flows through to public demand. If that happens, you add fuel to the fires of inflation. And when that happens, you put upward pressure on interest rates. And when that happens, it flows through to the overall growth of the economy, including to the small business sector as well as to economic confidence, through to the ultimate impact on employment. That is the core economic logic here.

In January this year, a month after taking office, we on this side of the House articu-
lated a five-point strategy for dealing with inflation. We have implemented that strategy, including through the budget process. Those opposite have a one-point strategy for dealing with inflation: pull out a huge bucket of kerosene and throw it on the inflation fires. It is called the $22 billion raid on the surplus. I challenge those opposite for the first time in the six months that they have been in opposition to advocate a coherent alternative economic strategy aimed at fighting inflation, and that means yielding in this debate your alternative to the $22 billion raid on the surplus that you are contemplating. My challenge to the Leader of the Opposition is to stand at the dispatch box and give us the list of where the offsetting savings are. If he fails to do that it is clear cut: it is a $22 billion raid not just on the surplus but also on a core economic responsibility and therefore an assault on the interests of small business and the general economy.

Soccer World Cup

Ms RISHWORTH (3.13 pm)—My question is to the Minister for Youth and Minister for Sport. Will the Minister provide an update for Australia’s bid to secure the World Cup in 2018.

Ms KATE ELLIS—I thank the member for Kingston for her question. Perhaps a little unusually in this place, I would like to begin answering this question by acknowledging the opposition’s position on this matter. We know that in a bid for any event the size of the FIFA World Cup, bipartisan support is incredibly important. It is incredibly important particularly in this bid and at this point I would like to acknowledge a letter from the opposition to the Prime Minister last week which outlines the bipartisan support for the 2018 World Cup bid. We certainly welcome this.

I am also aware that there has been some degree of public discussion in recent days regarding both the cost and the process for Australia’s bid to host the World Cup in 2018. I would like to take this opportunity to outline some further details on these matters. Recent media speculation has put a figure of $60 million on federal government support for this bid. This is an imaginary figure. No financial commitment has been given at this stage, nor has one been sought by the FFA, but we do continue to have regular discussions with the federations about the best ways that we can support them in this bid. We are only at the beginning of a very lengthy process, and any of these figures which have been quoted widely are both inaccurate and premature.

There has also been some debate regarding which is the best state of Australia to bid for the World Cup. The government is advised that FIFA will make a decision on both the 2018 and the 2022 World Cup at the same time. Whilst we have also been informed that bidding for one will not preclude a bid for the other, our sights remain firmly set on 2018. The FFA have advised us that last week, during the FIFA World Congress, they received many supportive messages from a diverse range of countries regarding our intention to bid for 2018. Indeed, we saw that the President of the Italian FA, Giancarlo Abete, committed to supporting the FFA bid last week. Also, Danny Jordaan, the chief executive of South Africa’s 2010 organising committee, said:

‘It’s going to be a tough fight, but I think that Australia has a great track record with major events.’

Oceania, which has a vote on the FIFA executive, has also said that it is supporting Australia’s bid for 2018. Many nations are aware of the growing importance of Asia in world football and that it is the fastest-growing economic power in the world. In fact, we have been telling many countries that 48 per cent of the cumulative TV audi-
ence of 26.3 billion for the 2006 World Cup came from Asia. I am sure that this is a fact that is not lost on FIFA executives or its commercial partners.

There is also enormous economic benefit if Australia can secure a successful bid. One need only look at the income generated by major sporting events such as the Rugby World Cup or the Sydney Olympics to see how much sporting events can generate for us. We know that, in comparison, the FIFA World Cup is very impressive in this regard. But there are also broader benefits to Australia—in tourism, in trade, in building infrastructure for the future and in further enhancing our reputation as a sporting powerhouse. Bringing the World Cup to Australia will not just be good for football lovers but will be good for our country. We welcome the support of all those who have got behind this campaign and we pledge to continue to support the Football Federation of Australia in this enormous and very exciting endeavour.

Workplace Relations

Ms JULIE BISHOP (3.17 pm)—My question is to the Minister for Employment and Workplace Relations. I refer the minister to her approval of a $4 million grant to the homeworkers committee for the textile, footwear and clothing industry. Is the minister aware that the address and telephone details for that committee are in fact the Textile, Clothing and Footwear Union of Australia, a union investigated by her department for its standover tactics to extract cash payments from small business operators? Why did the minister calculate the $4 million grant on the union guesstimate of 330,000 outworkers when the official Australian Bureau of Statistics figure is actually 48,000?

Ms JULIE BISHOP interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition has asked her question!

Ms GIORDANO—Even in their darkest, darkest days, they realised that outworkers needed some special protections. I note that the industrial relations extremism they are clearly headed towards—

Ms Gillard—

Mr Baldwin interjecting—
Ms GILLARD—is even worse than Work Choices. That is all that can be assumed from this question. But from parliamentary inquiries around the country it is clear that it is almost impossible to get a real count of the number of outworkers because, by definition, the work is hidden. It is in garages. It is in homes. It is paid for in cash. It is paid to people who are exploited. Outworkers have given direct evidence of earning $3, maybe $4, an hour for the work that they do. No-one in this country could say that they have got an absolutely accurate count of the number of outworkers. What do we therefore do? What does anybody working in this policy area do? You make the best possible estimates available to you.

Ms Julie Bishop interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition has asked her question!

Ms GILLARD—The policy construct here is clear. I think it is wrong and the government thinks it is wrong for women predominantly from non-English-speaking backgrounds—

Ms Julie Bishop interjecting—

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

Ms GILLARD—mostly recently arrived in migrants, to work sewing at home in conditions where they are exploited. Clearly the opposition does not think that is wrong.

Climate Change

Mrs D’ATH (3.21 pm)—My question is to the Prime Minister. Prime Minister, on this World Environment Day, what measures are the Australian government taking to engage with the global community on climate change?

Mr RUDD—Climate change is a challenge for the globe, for our region and for our domestic policy settings in Australia. In fact, if we look at the IPCC report and its projections in relation to Australia on climate change, we see it states the following with high confidence:

By 2020, significant loss of biodiversity is projected to occur in some ecologically rich sites, including the Great Barrier Reef and Queensland Wet Tropics. By 2030, water security problems are projected to intensify in southern and eastern Australia ... By 2030, production from agriculture and forestry is projected to decline over much of southern and eastern Australia ... By 2050, ongoing coastal development and population growth in some areas of Australia ... are projected to exacerbate risks from sea level rise and increases in the severity and frequency of storms and coastal flooding.

All reasonable members of this House would conclude that that represents a stark set of warnings for the nation’s future. Those opposite do not believe in planning for the future; they seem to think that that is something exotic. From their 12 years of inertia, we understand why.

This government believes in planning for the future. When you receive this sort of stark warning from the IPCC, a responsible government has no recourse but to act. That is why we have embarked upon an approach based on three pillars: one, reducing carbon emissions; two, adaptation; and three, engaging our global partners to ensure that we achieve a genuine global compact on climate change. On the question of reducing carbon emissions, the government’s plan is rooted in what we will do on emissions trading—something which those opposite simply ignored, year in, year out, despite recommendations from their own advisers over a long period of time.

The SPEAKER—Order! The member for Mayo will resume his seat, as required by the
standing orders. So will the member for Melbourne Ports and the Minister for Veterans’ Affairs.

Mr RUDD—I would have thought that even the member for Mayo might have been interested in climate change. It may have been of passing interest to him in his 12 years as foreign minister and in his engagement with many governments and foreign ministers around the world. Maybe it got in the road of a game of tennis here and there—I am not sure. In terms of core business for the nation, climate change was something which the foreign minister should have engaged in, and he failed spectacularly to do so.

The course of action embarked upon by our government is as follows. We are acting on an emissions trading regime, on a mandatory renewable energy target and on domestic programs as well. These domestic programs enhance alternative fuels and alternative energy, and include our present engagement with the automobile industry on important programs for the future designed to increase overall fuel efficiency.

With solar, there is the $480 million National Solar Schools program, the $150 million low emissions plan for renters and the $300 million Green Loans program, as well as something which we have continued, the solar hot water rebate scheme. That seemed to have a means test in it. How much was it? It was $100,000. I thought that the Leader of the Opposition said today that ‘the environment can’t be means tested’? Have I missed something? The member for Wentworth, when he was the minister for the environment, means-tested the solar hot water rebate scheme. Stone the crows. Selective memory again, but that is just a matter of detail for those opposite.

Our second approach when it comes to climate change is to deal with adaptation, which is absolutely imperative. This is where those in rural and regional Australia are feeling it most. This government, through the actions of the Minister for Climate Change and Water and the minister for agriculture, is at the forefront of negotiating with our rural industry organisations about how we will deal with that challenge.

Our third course of action is our global action: what we are doing with the rest of the international community. Unless we bring down global carbon emission, the ultimate impact on our planet will be disastrous. We had to enter into the full sphere of negotiation—not partially, not at the sides and not at the margins, which is what the member for Mayo was so happy to support in times past, but centrally. That had one precondition: ratifying Kyoto. That is why the first action of this government was to ratify the Kyoto protocol, giving us a full seat at the table in global negotiations. If the rest of the world is going to negotiate a global compact which has an effect on Australian industry and international economic circumstances, we want to be full participants in that and not simply at the margins, which is where those opposite were pleased to be.

It also affects our relationships with Indonesia and Papua New Guinea. We have engaged in further discussions with them about how we can go about protecting the rainforests of those countries to make a contribution there. We have also engaged with the United States. What is interesting in the United States is that we now have a strong commitment for the future from both sides of the aisle, Republican and Democrat. Senator Obama committed to reductions of 80 per cent of 1990 levels by 2050. Senator McCain has previously supported a bill that requires 65 per cent reductions on 2000 levels by 2050. I would suggest to those opposite that they study hard and see where leadership on these questions lies now in the United States.
The Republican Party and the Democratic Party are on board. But on the part of the Liberal Party of Australia all we have is continued obfuscation.

In fact, six months ago what did we have from those opposite? Six months ago, they did not even believe in climate change. Six months later, ‘Whoops; we believe in climate change.’ Six months ago, they wanted a nuclear reactor in every backyard, and suddenly they have forgotten about that policy. Six months ago they said that if we ratified Kyoto the economy would collapse. The Leader of the Opposition went on record to say that Australia has rightly refused to sign the Kyoto protocol. It is time that those opposite got real on this. In the United States, Senator Obama and Senator McCain have clear-cut positions of international leadership on climate change. There is none from the Liberal Party of Australia.

We had the former Prime Minister, Mr Howard, stand up here and say that he did not believe in the human causes of global warming. Do you remember that? It was fewer than 18 months ago. The same Mr Howard stood up in the parliament and said that if Senator Obama or the Democrats won the presidential election in the United States it would be a victory for al-Qaeda. Those opposite stood behind those comments. They stood behind the comments of Mr Howard when he denied any link between human activity and climate change. It is time that those opposite got real. They should join with the government and adopt a realistic posture for engaging the world on long-term solutions for climate change rather than pretend that it is something for which they have no responsibility.

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

PERSONAL EXPLANATIONS

Mr HOCKEY (North Sydney) (3.29 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr HOCKEY—I do.

The SPEAKER—Please proceed.

Mr HOCKEY—In an article written by Kelly Burke, the Consumer Affairs Reporter of the Sydney Morning Herald, on 31 May 2008 titled ‘Questions over $200,000 claim paid to Coonan’, there is a clear suggestion that, somehow, Senator Coonan had approached me in 2001 as Minister for Financial Services and Regulation to change the law to accommodate her personal financial situation. This is completely false. In addition, the article says that the matters ‘had been handled by the then minister for financial services, Joe Hockey’. It goes on to say that I have not ‘explained why his government removed APRA scrutiny from home building insurance in 2002’. Home building insurance was never the responsibility of APRA. APRA was responsible for the prudential supervision of financial institutions, including insurance companies, and was never responsible for product prudential supervision. That is the responsibility of ASIC.

The article is fundamentally flawed and I expect an apology from the Sydney Morning Herald.

Mr ABBOTT (Warringah) (3.31 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr ABBOTT—I do.

The SPEAKER—Please proceed.

Mr ABBOTT—I have been misrepresented by way of a most mischievous omission and, in order to clear up the misrepre-
sentation, let me give the full quote which the Deputy Prime Minister referred to:
I want to put it to the House ... that you cannot announce good news before an election without also announcing the bad news.
Then there was the quote from the Deputy Prime Minister, and then I went on to say:
A means test is a means test, and some people will not get the benefit that they were led to expect because of this secret means test which the government has sprung on the Australian public subsequent to the election.
The Deputy Prime Minister should have given the full quote and she should know better than deliver the kind of low blow she attempted today.

**AUDITOR-GENERAL’S REPORTS**
**Report No. 39 of 2007-08**

The SPEAKER (3.32 pm)—I present the Auditor-General’s Audit report No. 39 of 2007-2008 entitled Managing e-business applications—Follow-up audit: Department of Education, Employment and Workplace Relations.

Ordered that the report be made a parliamentary paper.

**DOCUMENTS**

Mr ALBANESE (Grayndler—Leader of the House) (3.32 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

**MATTERS OF PUBLIC IMPORTANCE**

**Renewable Energy**

The SPEAKER—I have received a letter from the honourable member for Flinders proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The dramatic collapse in the solar panel sector as a direct consequence of the government’s negligence.

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 HUNT (Flinders) (3.33 pm)—Earlier today, World Environment Day, the Leader of the Opposition and I travelled to the home of Phil and Sophia May in Queanbeyan. That is an interesting place to visit because it is the centre of Solartec, which is a home based and family run business. They moved into that home only a few days before this year’s federal budget. They moved in because their business had been successful since the implementation of the solar panel rebate and its elevation to an $8,000 level for all families in the last budget. It is an interesting house to visit for a second reason. This was the family and the business which the Prime Minister and the now Minister for the Environment, Heritage and the Arts visited on 28 March last year. It was where they announced their solar homes policy. What we found today is the reality of this policy. We hear many things from the other side, but the solar rebate policy reduction, which was announced on budget night, can be encapsulated in what has happened to Phil and Sophia May and to their business.

There were three things that Phil and Sophia May told us. Firstly, they said that their business had lost $500,000 in orders in the three weeks since budget day. I want to repeat that—$500,000 in orders for a small family business in the three weeks since budget day. Those are real orders with a real impact on a real family. Secondly, Mr May has had to give notice to three of his five staff. Sixty per cent of the employees in this small business will lose their jobs—three out of five people—and that includes a mature age apprentice. This is not hypothetical. This
is not something that may happen down the track. When I look at members on the other side of the chamber they know that this policy decision was a mistake and they are secretly ashamed of it. Mr May said to us that three out of his five employees had been given notice and would lose their jobs, and the Mays were losing their livelihoods as a result. Thirdly, Phil and Sophia May felt a palpable sense of betrayal. I can put it no better than use the words which Sophia May herself used in public, in the Australian on 16 May 2008, just after the budget when she said:

I am absolutely heartbroken that they could bite the hand that helped them promote their policies. This is a decent, hard-working mum who happens to also take care of their beautiful little two-year-old, Abi. What we saw today was a sense of betrayal in her eyes. When we hear from the minister for the environment and the Prime Minister that this measure will help the solar industry, we know it is Orwellian doublespeak. It denies the fact that there are real families that have been hurt, real employees who are losing their jobs and real consumers who wanted to do the right thing by the environment but who will now never be able to put solar panels on their roofs and make their contribution to reducing Australia’s energy needs and greenhouse footprint.

Let us put this debate in context. Now I understand that from time to time people in this House can be too personal. I do not want to inject a personal note into this debate, so I say across the chamber to the Minister for Environment, Heritage and The Arts, who seems to be a very pleasant person: Do not take this personally, but you are not up to the job, mate!

Let me look directly at the question of what has happened to the solar industry and give some background, which is this: prior to last year and the budget decision, we saw that the $4,000 rebate was helping to install solar panels around Australia. That was lifted by the member for Wentworth in his role at the time; it came to $8,000 and as a result of that we have seen a tripling in demand for solar panels across Australia over the last year. This has led to new jobs, new orders, new development and lower prices. So real things have actually happened so that ordinary Australians can do their bit for the environment. And Australian families who have scrimped and saved for what would otherwise be a $15,000 to $20,000 set of panels can do so without having to pay all of that; they only have to pay the difference. That means they are looking at between $7,000 and $12,000 of their own money. But if you make it $15,000 to $20,000, they simply cannot do it.

Most significantly, what was it that the then Prime Minister, Mr Howard, said? On the Sunrise program on 9 May 2007, he said that it was an uncapped arrangement that would be demand driven. He said:

... it is a demand driven program. So, as many households as want it can have it. I mean, there are estimates made for Budget purposes, but if it turns out to be more popular, well, more money will be made available.

So when we hear from the other side that they have actually tried to increase funding,
it is a total fabrication. What has happened, as we all know and as we can see, is that a small business sector has been decimated. Since the budget, two-thirds of their business has been lost. On the estimates of the small business sector, which is the solar panel sector, we are facing about 400 job losses and that will flow through to other consequential job losses. These are real jobs of people who are trying to create a new industry and do the right thing by the environment, as well as the short-changing of Australian families that wanted to be a part of this.

What then do we see? I want to set out a case that there is a duty not to means test this rebate, that there is a breach and that there is real damage. The duty is very simple: it is called an election promise. On his visit to Phil and Sophia May’s house on 28 March 2007, we had this statement from Mr Rudd:

Solar is the most greenhouse-friendly energy available on the planet and, therefore, we just need to take some practical steps to make it possible for as many families as possible to invest in this.

There you go. That is what Mr Rudd said. Their policy was very clear: a non-means-tested approach to the rebate. They supported the rebate after the election. They supported a non-means-tested rebate right up until budget night and then on budget night we had a breach of this duty.

In what way will the impact of this breach work? It sets a means test of $100,000 per household. That means that if you have a mum and dad on $51,000 each—a nurse and a teacher or something equivalent—they are considered rich and they are no longer able to access this rebate. If that sounds hypothetical, what we need to understand is that this is exactly what we have seen. Hamish Wall, the general manager of business development with Nicholls Solar, said on ABC Radio’s The World Today on 16 May 2008:

... we had one household which consisted of a nurse and a teacher and obviously under the Federal Government’s policy, they’re rich and therefore they are no longer eligible for the rebate. This is a family that has cancelled their order and Nicholls Solar has lost the business. That is what has actually happened.

This is not something that was brought before the House; it was not part of the appropriations bills, so it cannot be stopped there; it was not a decision made by legislation; it was not a decision made under a disallowable instrument; it was a decision that was taken in such a way so as not to be reviewable before the parliament of Australia. It breaches an election promise, it breaks down an existing program and it damages ordinary families. As of midnight on the night of the budget, without any consultation with industry and without any warning whatsoever, the order came into force on the basis of a ‘magisterial’ signature. That is the new way of making the laws of Australia.

An opposition member—So much for transparency.

Mr HUNT—As has been said, so much for transparency and accountability. If you want to know, the third element of this equation is: is there damage? There is clear damage here. There is clear damage to small business. Phil May has put it very simply. He said:

This has kicked the guts out of our company.

And what about the managing director of Conergy, Roger Meads, who said:

Following the government’s solar means test announcement, Australian families have now cancelled 80 per cent of their solar system orders due to their cost being prohibitive, meaning less solar panels on roofs.

That is the reality. There will be fewer solar panels on roofs. Roger Meads went on to say:
This has translated to immediate job losses across the industry at a time when we believed it had a bright future. It will send the solar power industry back to the early nineties.

What about the industry council, the Clean Energy Council? This is particularly interesting. The communications director of the Clean Energy Council said on 20 May:

The government has killed the industry stone cold dead.

But she also said:

We’ve been blindsided. The industry was not consulted and the consultation we had was not about this.

There was no warning and there was no preparation. There was an executive order signed in a presidential decree, which came in to force as of midnight with no warning, no recourse and no way forward.

Erik Zimmerman, the chief executive of Rezeko, made it absolutely clear when he said on ABC Radio on 17 May 2008:

... with this development you cut 50 per cent of the volume of the market.

It subsequently turned out to be a lot higher. He then said:

... all of a sudden you can’t buy in those volumes. The government is trying to reduce inflation and in this industry all I can see is the possibility of prices going up.

But there are many others who have had a loss. What about the Solar Shop? Adrian Ferraretto, Managing Director of the Solar Shop put it very simply:

We are a national company. Our head office is here in Adelaide. We employ about 100 people. I think it is going to cost us around 2 million bucks a month. That is what we’re estimating if it drops down to 60 per cent.

These are real losses. Minister, I ask that you reverse this decision. I suspect that it was not your idea. I suspect that it was a decision taken in the Expenditure Review Committee of cabinet. I cannot believe that the minister actually advocated this policy. I know, and I think everybody on this side knows, that when the fight was there in the cabinet room the fighter was unfortunately not there to stand up for the solar industry. And it is not just the solar industry. These are small businesses with real jobs and real people, such as Phil May’s three staff members who have lost their positions—a direct and immediate consequence of the budget which must be reversed.

What is our solution? Our solution is very simple. The Leader of the Opposition today visited Phil and Sophia May’s house and announced that the opposition would be introducing into this parliament the ‘save our solar’ solar rebate protection bill. It will be a private member’s bill. We will introduce it into the House and the Senate simultaneously. The bill has a simple purpose. It will seek to overturn the imposition of the means test. The reason it will do that is very simple. It will do that (1) to keep faith with the promise that we made to the Australian people that we would promote the solar industry, (2) to keep faith with people such as Phil and Sophia May, Hamish Wall and Rodger Meads or any of the others who are seeing the collapse of their businesses, (3) to protect the solar industry and (4) to give those families who want to put solar panels on their roofs the chance to do so. That is what we have set up. We are putting in place the ‘save our solar’ bill. It is a private member’s bill.

I am certain it will pass the Senate if it is voted on before the end of June, and I believe it will pass the Senate even if it is voted on after that time, because it has our support and because there is support from the Greens to overturn this position. Let me make it clear: there is support on that side and the question is whether these people over here have the guts to stand up and say in public or in private, ‘This is a disgrace’. There is a member there from the ETU, whose state...
secretary wrote to me yesterday to say that this was a disgrace. A small business sector has been destroyed. Jobs have been lost. People’s livelihoods have been put on the line. It is a disgrace that the means test has been put into place. I call on the minister to overturn the solar panel rebate means test, to make things right and to give people a chance to put solar panels on their roofs and to save jobs in businesses such as Phil and Sophia May’s.

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (3.48 pm)—I rise on this matter of public importance to confirm to the House the strong commitment that the Rudd Labor government has to the solar industry—a strong commitment to renewable energy and a strong commitment to action on climate change. I point out to the member for Flinders that the policy that the Rudd Labor government has to the solar industry-last budget, but demand for the rebate has been so strong since it was doubled last year that the government responded to that demand by doubling the number of rebates. We will now pay 6,000 rebates through the years 2008-09. So that is more solar panels and more rebates. The total commitment of $150 million remains unchanged. We brought forward $25 million in the budget to achieve in three years what the previous government set out to achieve in five.

The maximum household rebate payable stays at $8,000, but we want to ensure that the greatest number of solar rebates get onto Australian roofs. That is why we have introduced a means test of $100,000 per household to ensure that the rebates end up in the hands of people who might not otherwise be able to install solar panels on their homes. I am confident that there will be continued demand for the rebates with the new means test. I am confident that we will provide 6,000 rebates in the next financial year and I am confident that the solar industry will benefit from twice the number of rebates that we had originally committed.

But there is an important message here in terms of the approach that the opposition have taken on this issue, and that is that if the
opposition were really serious about the solar industry then they would bring forward a set of policies which showed their support for sustainability, for climate change action and for the solar industry as a whole.

The bottom line here is that on 1 July, under the Rudd Labor government’s Solar Schools Plan, schools will have the opportunity to put solar panels on their roofs. Schools have been waiting for this moment to come, and that is because under the former government’s green vouchers plan they could not do that. They did not have the opportunity to put solar panels on their roofs at all.

So in this debate I think we have to ask ourselves: is this commitment of nearly half a billion dollars to schools around Australia—to enable them to put solar hot water systems, solar panels, PV panels, water tanks, water energy-efficiency devices and so on, but particularly solar PV panels on their roofs—going to provide a substantial bedrock for the solar industry to continue to produce solar panels and supply them to schools around Australia? I think the answer to that question must be yes.

Additionally, looking at the great appetite that Australians do have for putting energy-efficiency measures and solar energy into their homes, we will introduce low-interest green loans which, from 2009, will provide families with the opportunity, again, to put solar panels, solar hot water systems and the like on their roofs—another substantial foundation upon which a sustainable Australian solar industry can actually be established.

In relation to the means test on the rebate, what we have said is that we will monitor demand and we will continue to monitor that demand as the program rolls out. That is what I said to Mr May. I thought that was a perfectly reasonable thing to say to him. I acknowledged the point that he put to me and I said, ‘We’ll monitor demand in that program.’ They brought forward their concerns and we listened to them. But, on the subject of means testing, we think it is appropriate for public funds to be directed towards priorities—priorities for the environment, priorities to drive least-cost abatement, priorities for Australians who can least afford significant investments in the up-front costs of solar panels. So what we are looking at here is actually a sustainable solar industry with significant Rudd Labor government support for programs that stretch out from this point onwards and with the capacity for Australians who do not earn more than $100,000 to get those solar panels on their roofs, which is what they want to do—and for an industry to do the job of putting the panels up there for them.

I recognise that some members of the opposition have a different view about economic responsibility and means testing. The Leader of the Opposition said, ‘How do you put a means test on the environment?’ The fact is that the former minister for the environment did put a means test on the environment. He put a means test on solar hot water and it was set at $100,000. The question here is really about how much genuine, substantial policy reform the opposition are going to bring into this House on the matter of climate change and the solar industry in general.

The member for Flinders got up and said he thought I was a nice bloke but he had to tell me what he really thought about me in terms of performance. Well, here is what I would like to say in response to the member for Flinders: the Rudd Labor government brought forward the most comprehensive climate change and environment agenda that we have seen in the federation and we ensured that responsibility for delivering that agenda was given across a range of portfo-
lios to a number of ministers, including me—and I welcome that opportunity.

When my colleague the Minister for Agriculture, Fisheries and Forestry, Minister Burke, and I as the minister for the environment brought forward the $2.25 billion Caring for Our Country initiative, I felt a great sense of achievement and pride. Why was that? Because we had done three things. Firstly, we had stopped the rorting. We had stopped a decade of rorting by the member for Flinders’s colleagues which saw the Natural Heritage Trust exist as a bucket of funds which could be sent off in all manner of directions with no significant evaluation and no transparency in terms of the delivery and the effectiveness of the programs.

Secondly, we set national priorities. We have got a significant investment in Indigenous protected areas. We are investing $200 million in reef rescue for our great natural treasures like the Great Barrier Reef. Where were the opposition on these issues when they were in government? They were trying to put a shadecloth across the Great Barrier Reef! They were trying to put a shadecloth across the Great Barrier Reef and denying that climate change was going to impact or threaten the reef.

Thirdly, we have brought forward a package of measures in the budget of some $1 billion which provide opportunities for communities and households to take energy-efficiency measures, to take low-interest loans, to have solar panels on the roofs of their schools. This is an initiative and a commitment that will run right across the economy and right across the country. This is serious nation-building on a sustainable basis which sees solar energy playing its proper role and ensures that Australians can have confidence that, when these programs come through, they are actually going to be used effectively—in the instance of the one that we are debating, by those who need to be able to use it and, across the measure of programs that have been identified, by the whole of the Australian community.

It is about having a plan. If you do not have a plan then what you have is a stunt. You cannot have stunt driven debates in the House. I acknowledge the concerns of the solar industry, but you cannot have stunt driven debates in the House; you have to have a plan that is going to address the significant climate change challenge that we face.

Let me identify some aspects of our plan. We have heard nothing from the member for Flinders about what the opposition are going to do, except introduce the legislation as a private member’s bill and run it back through the House. Where is the commitment to significantly reducing greenhouse gas emissions in the medium and the long term? Where is the commitment, for example, to phasing out greenhouse intensive hot water systems? That is a commitment that we have made, a commitment which will see significant emission reductions, and the shadow minister knows that. Where is the plan for a renewable energy target? Our renewable energy target is to have 20 per cent of our electricity supply powered by renewable energy by 2020. We had numerous debates in this House about the necessity of supporting the renewable energy industry and now we do not have a policy from the opposition that is about clean energy. We want to support the renewable energy industry. We want to make sure that the renewable energy industry gets its fair share, and that is what a renewable energy target will do.

Finally, let us look at emissions trading, because it is when emissions trading comes into play that we have a price in the marketplace with wide coverage in a scheme which...
is rigorously designed to enable the maximum benefits to be taken from low-cost application, reducing greenhouse gas emissions and making sure that it is done on a low-cost basis.

Mr Ian Macfarlane interjecting—

Mr GARRETT—We are now starting to get interesting interjections across the table. I very much look forward to seeing the policy develop on this question of what should or should not be included in an emissions trading scheme. What I can say is that the Rudd Labor government has approached this issue with consistency, with diligence, with care and with true deliberation. We have the Garnaut review underway, we have the Treasury modelling underway and we have the Wilkins review underway. We have a commitment to ensure that by 2010 there will be an emissions-trading scheme which will drive the economy of this country and make sure that emissions are reduced at low cost. We would have had to wait another two years, from a very reluctant government if they had been elected, for that to happen. We got on with the job. We are serious about climate change and we are serious about enabling the market and market signals to play their role in reducing emissions.

Today we went to the heart of the question of empowering the community to take action to reduce greenhouse gas emissions. I have laid out a significant platform of policy measures that we are bringing into this parliament and that we will take out to the Australian community. It is about responsible economic management. I will go straight to the question of responsible economic management and simply say this: if the solar PV rebate was not means tested, as those opposite are calling for, and if it continued to grow at the current rates, then it would lead to a massive blow-out in the budget. Not only do we have the coalition raiding the surplus already, when we know that it is important to have a surplus and that we need to keep downward pressure on interest rates; but if this program were not means tested then it would simply grow, and at current rates that would lead to a massive blow-out and a blow-out in the budget. If the program continued to grow at current rates, within 12 months the government would be providing approximately more than 8,000 rebates. That is what the opposition is saying. That is a budget blow-out which is really significant. Not only is it significant; it is irresponsible. I put it to the member for Flinders that you cannot seriously be arguing in opposition that you should have a blow-out of this rebate to that extent. I will be very interested to see the private member’s bill when it comes through. Is that what you will be arguing for? If you will be arguing for that then you are actually arguing for an unsustainable program, in current budgetary circumstances, to be maintained.

What we say is: let us cap a rebate to enable the program to be delivered sustainably. That is the economically responsible way to go about delivering this program to Australians who need it most and it is the ecologically responsible way of doing it because it ensures that there is sustainability in the system. We do not have a solar industry that swings from pillar to post. We have a solar industry that has the confidence that we have programs in place that will ensure their long-term viability.

Dr STONE (Murray) (4.03 pm)—I rise to support my colleague the member for Flinders and say that this is a most extraordinary World Environmental Day, when we have had to listen to the Minister for the Environment, Heritage and the Arts trying to justify destroying the Australian people’s opportunity and chance to personally do something about greenhouse gas emissions. Australia is blessed with clear skies and an enormous
potential for solar energy generation. This technology is not new and it lends itself to uptake by households, by ordinary men and women, as well as, of course, by industry and by institutions like schools and community places.

Ordinary Australians want to save energy. They are aware that Australians are amongst the highest per capita emitters of greenhouse gasses. It is a part of our history and our natural resource capital. But how can Australians do this job when they are stymied completely by the costs of something like solar panels? We the coalition, when in government, wanted to stimulate the Australian community’s investment in solar panels, so we introduced an uncapped non-means tested $8,000 grant to help towards the average outlay of between $15,000 and $20,000 to install solar panels. This program was hugely successful. It tripled demand in the past 12 months, as we have heard. We are proud of that achievement. Australians were proud of that achievement, of the heavy lifting they were doing on behalf of the global greenhouse problem.

Then in a shock announcement—certainly not made known before the election—Labor killed this program. They killed it by means-testing the rebate so that it could only apply to families with a combined pre-tax income less than $100,000. This knocks out about half of our dual-income families. It knocks out over 600,000 households where one parent works full time and one parent works part time. Two people on $50,000—that is below the average income in Australia—will be on the edge of eligibility. But now this Labor government has means tested this very important rebate so that the vast majority of Australians cannot any longer participate in doing something about the fact that we have greenhouse emissions endangering this globe, threatening life as we have known it. Industry and our industry advocates are absolutely appalled at this decision. I will repeat some quotes. Phil May, Co-Director of Solartec Renewables, said:

“They—
the Labor government—
have totally destroyed (the solar industry) absolutely and totally ruined it,” Mr May said.

He said:
In the three days immediately following the budget we lost $360,000 in cancelled orders. This has kicked the guts out of our company.

The Communications Director of the Clean Energy Council said:
People are absolutely frantic. We have had endless calls and emails from members in the last 72 hours and all our phones are running hot. Customers are pulling out in droves. We have been blindsided. The industry was not consulted and the consultation we had was not about this—
‘this’ being means testing the solar panel rebate. As Irena Bukhshtaber of the Clean Energy Council said:
The government has killed the industry stone cold dead.

My colleague the previous speaker made it very clear how this means not just lost business for the industry but also lost jobs, lost training and a lost opportunity to engage in what will become one of the world’s most important industry sectors in the future—renewable energy. It is extremely sad that Australia has lost the opportunity to develop specialists. People in country towns—for example, electricians—were able to develop these skills and provide a service to households that wanted to reduce their energy costs. It is hypocritical, too, when you consider the green loans scheme that Labor has just announced with a means test of $250,000. Why is it $100,000 for solar panels and $250,000 for the green loans scheme? How extraordinary!

Does the government, and particularly the Minister for the Environment, Heritage and
the Arts, understand the growth in energy use in Australia? You could wonder: is that the problem? Did the Rudd government in deliberating about this not understand what the growth in household energy usage was? I thought perhaps that was the case and he was simply ignorant, but today in Minister Garrett’s press release he says of his amazing three new initiatives:

The announcement coincides with the release of a new report on household energy usage which forecasts an increase in energy usage of 56 per cent by 2020, emphasising the need for immediate, comprehensive and coordinated action on energy efficiency.

Here is the minister quoting that report and yet at the same time he stands up in this parliament today trying to defend the destruction of the solar panel industry. How extraordinary—how can he sleep at night?

The minister said in his speech a moment ago that Labor, and he in particular, ‘would go to the heart’ of helping to address greenhouse gases. But what were the three major new announcements which he said ‘go to the heart’ of helping Australians deal with the problem of increasing energy costs and greenhouse gas emissions? Wait for it. Hold your breath—here it comes. The first major measure was a new television-labelling scheme. Consumers can watch—the Labor government is very keen on watching—their television knowing how much energy it uses. Fantastic! The second major measure—and this is a big breakthrough from the Labor government to save the nation from greenhouse gas emissions—is a new guide to help householders, in particular renovators, identify ways to incorporate energy-saving measures into their homes. There are already two or three dozen of these energy guides, and I hope this new one makes no reference to solar panels, because that would be very cruel. If the new guide listed solar panels as a major way to save energy in your household, then these people—over 50 per cent; over 600,000 homes—will be wasting their time contacting their local solar panel installers, because they would find that they were typically not eligible for the rebate and they could not afford the $15,000 to $20,000. Wait for the third great cut-through measure, which, as the minister said, ‘went to the heart’ of helping to address greenhouse gas emissions in Australia. I hope you are on the edge of your bench. Here it goes: to accelerate the phase-out of traditional incandescent light globes. There we go. Minister Garrett today said: ‘Don’t worry about solar energy. Don’t worry about all the other problems we have with the environment. On World Environment Day here are our three new killer programs.’

Let us talk about the whole business of what the government is doing in general about addressing the impacts of climate change and greenhouse gas emissions. The minister referred to the wonderful job they are doing with Caring for Our Country. I asked him earlier today during the debate on the appropriations bill: ‘Minister, how can you justify your 20 per cent cut to Landcare?’ Landcare is that 25-year-old program where hundreds of thousands of volunteers in 4,000 separate groups do all the heavy lifting in trying to protect the environment as they battle hotter, drier conditions and more storms. I asked the minister how he was going to help those land carers deal with the 20 per cent cut he has imposed. He said, ‘No worries, it’s not a cut; it’s about a saving—it’s about efficiency.’ Okay, you tell us, Minister, what are you going to cut with Landcare? Whose salaries are you going to reduce, given they are volunteers? Whose picks and shovels and trees are you going to remove now that Landcare will be cut by 20 per cent? Catchment management bodies will be slashed by 40 per cent; environmental stewardship will be gone altogether. The
minister who stood here and said he was proud of Caring for Our Country really needs to understand exactly what it was that was read out on his behalf on budget night.

This is an absolutely appalling attack on Australians attempting to deal with climate change and lower their energy consumption through installing solar panels. We had a program that was so successful. We had developed and enlarged a solar panel industry that we believed was going to become world best. What the minister has done is a disgrace. (Time expired)

Ms GEORGE (Throsby) (4.13 pm)—I was very interested to hear the comments from the earnest member for Flinders trying to chastise the Rudd Labor government for the supposed negative consequences of the introduction of the cap on the solar panel rebate. I must say that when I was listening to the member for Flinders, and knowing his earnestness about the issue of climate change and global warming, it sounded like a case of ‘he doth protest too much’, because the more one heard the more the hypocrisy was so evident.

I notice the member for Flinders is now engaged in very earnest conversation with his colleagues, but I do want to say a little about the history because I think it is very important. We have a group of newly elected members in this parliament and a smiling former minister for industry at the table. I will discuss some of the comments that were made.

What we need to understand is that, for all of the period of the Howard government, there was a decided lack of attention to one of the most serious issues, if not the most serious issue, facing the globe and our nation. It was a decade of inaction, it was a decade of scepticism and it was a decade where earnest members like the member for Flinders must have been mightily embarrassed about the nonsense that we heard from that side of the chamber when they were in government.

Let me just give you a taste of what they were saying. I will share. Just less than a year ago four members of the then Howard government now in opposition—two are still here and they are so surprised they did not all get back—dissented in a parliamentary committee report that was looking at the issue of geosequestration. Do you know the reason for the dissent? The grounds in their dissenting report were that the majority report was, ‘One-sided in assuming climate change was the result of human activity.’ Can you believe that? They said—and the member for Flinders would have been very embarrassed; yes, he looks up very sheepishly—‘Whether human activities are disturbing the climate in dangerous ways has yet to be proven.’ This was a year ago. They went on in the dissenting chapter and used the word ‘fanatics’ to refer to those who believed that human activity caused global warming.

But perhaps the most extraordinary claim in that dissenting report, signed by four members of the backbench of the Howard government, was that evidence of global warming on other planets, such as Mars and Jupiter, made it unreasonable for humans to take pre-emptive action on planet Earth. You have to ask: what planet was the coalition on, what planet did they inhabit then and what planet are they inhabiting today? Quite frankly, the member for Flinders would be well advised to spend his earnest time educating his side of the chamber on the science of global warming, instead of coming in here and reading a litany of sins allegedly committed on this side of the House.

But please do not think it was just backbenchers who did not understand the science of climate change. I see at the table the for-
mer minister for industry, the member for Groom. We all recall the impact that Al Gore's memorable documentary *An Inconvenient Truth* had on our community. In fact, as I argued previously, community opinion was well ahead of the Howard government. Do you know how the then minister for industry described it? He said it was 'just entertainment'.

**Mr Ian Macfarlane**—It was.

**Ms George**—Yes, he is nodding. He agrees. I would say to people: go back to the *Hansard* and see what the then Deputy Prime Minister, Mark Vaile, was saying about the issue along with senior members of cabinet, like the member for Groom, and of course we had 'poor Malcolm in the middle'. Poor Malcolm in the middle when he was the environment minister was trying to balance the sceptics with those who described themselves, as John Howard did later on, as a 'climate change realist' because the community were really quite ahead of him. So Malcolm, in my terminology, then earned the nickname of 'poor Malcolm in the middle' on the issue of climate change. But you still come into this House and start lecturing the Rudd Labor government about the commitments we have made on this issue and about the substantial suite of policies that we have to address this very fundamental challenge.

We understand the lessons that were brought home in the Stern report—not acting on climate change would in fact carry extraordinary economic risks, while acting early would open up new economic opportunities. We know on this side of the House that the prospect of transitioning to low-carbon economies has been described by many as the next industrial revolution and opens up huge opportunities.

But then we had the member for Murray coming in here shedding crocodile tears about the supposed loss of jobs. I did not see those crocodile tears when your government refused to raise the MRET target, which was sending companies like Vestas, the wind company in Tasmania, offshore. I did not see the crocodile tears when you refused to ratify Kyoto, which would have given you the option through the clean development mechanism to boost domestic industry and its capabilities internationally.

Did we hear anything when the technology for the solar hot water system developed at the University of Sydney was taken by the Chinese, who saw its huge commercial potential? They grabbed it with open arms and we did nothing. I am not surprised China grabbed it; today it is a huge part of their booming solar market, a market which now accounts for 80 per cent of the world's new solar hot water installations. Invented in Australia, lost to China, now made in China—one example of the legacy of missed opportunities by a government that failed to realise not only the environmental consequences of dangerous climate change but the economic opportunities that were opened up for us.

Please, Member for Flinders, do not come in lecturing this side of the House about one aspect of a suite of policies. You know yourself, when you were in government, the hard battle people on your side of the House had in ensuring that the solar rebate continued. It was very much at risk and we had environmental groups coming to lobby both sides of the chamber. Our side of the chamber put enormous pressure on your government not to dismantle the solar rebate system. This was at a time when you were losing all the opportunities—no crocodile tears when companies were going offshore because you would not provide the foundations for investment and commercialisation of technologies in the solar sector.

Australia could have been the Silicon Valley of solar energy, but we needed national
leadership and we did not get it. I know you are very earnest, Member for Flinders, but I think a lot of your time, effort and energy should be really spent in making sure that members of the opposition are genuinely involved and understand the science of dangerous climate change.

Rudd Labor government members understand, and so does the community that voted for our strong environmental policies, that to protect our future prosperity and to look after our nation for future generations we have to move to a clean energy, low-carbon economy and society, and we are investing substantially. There is the Renewable Energy Fund—$500 million to accelerate the development and commercialisation of renewable technologies in Australia; we have an Energy Innovation Fund; and we have investments not just in solar but also in clean coal technology, in wind and wave power, in geothermal technologies and, very importantly, in carbon capture and sequestration.

So the Rudd Labor government has a very strong commitment to the solar industry. The foundations we have laid in this budget will see a huge spurt of growth opportunities in that industry. If you just take one example, we are looking at the National Solar Schools program. More than 9,000 installations will be involved in that massive national program. I would imagine that that would provide far more employment opportunities than those that were bemoaned today with crocodile tears, when none existed over the decade that these technologies were driven offshore. The outlook for solar and renewable energy remains very, very positive under this government, which has a comprehensive and cohesive strategy for the future. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—The discussion has concluded.

LEAVE OF ABSENCE

Mr SOMLYAY (Fairfax) (4.23 pm)—I move:

That leave of absence from 16 June to 25 September 2008 be given to Mrs Mirabella for maternity purposes.

I am sure that all members of the House wish her a wonderful pregnancy and a beautiful beginning to motherhood.

Question agreed to.

COMMITTEES

Publications Committee

Report

Mr HAYES (Werriwa) (4.24 pm)—I present the report from the Publications Committee. Copies of the report are being placed on the table.

Report—by leave—agreed to.

NATIONAL FUELWATCH (EMPOWERING CONSUMERS) BILL 2008

Cognate bills:

NATIONAL FUELWATCH (EMPOWERING CONSUMERS) (CONSEQUENTIAL AMENDMENTS) BILL 2008

Second Reading

Debate resumed.

Mr GIBBONS (Bendigo) (4.25 pm)—I rise to support the Rudd government’s National Fuelwatch (Empowering Consumers) Bill 2008 and the National Fuelwatch (Empowering Consumers) (Consequential Amendments) Bill 2008. As this is a complex issue, it is appropriate that we have a brief look at some recent history around the problems of fuel pricing in Australia. In its first term of office, the Howard government abolished the Prices Surveillance Authority, whose role was to monitor excessive price increases and prosecute individuals and organisations that indulged in price-fixing ac-
tivities. Then, after ignoring the results of this disastrous decision and under extreme pressure, the Howard government commissioned yet another investigation into petrol prices. The Howard government then told us that the ACCC would be the appropriate body to ensure we paid a fair price for our fuel, but what they did not do was provide the ACCC with the powers it needed to monitor, investigate and prosecute any instances of collusion or any other anticompetitive behaviour by oil companies, distributors and retailers.

It was the election of the Rudd Labor government that provided the ACCC with these powers through the establishment of the petrol pricing commissioner within the ACCC’s framework. This delivered on Labor’s election commitment to ensure that Australian motorists would not pay one cent more for fuel than they needed to. It is a simple proposition but one that the opposition chooses to ignore by constantly verballing the Labor government by stating incorrectly that Labor promised to reduce the price of fuel. Labor made no such promise. Verballing is a constant habit of those opposite, probably because of the influence of failed copper and member for Dickson, who is the opposition’s spokesman for finance, competition policy and deregulation.

There has been evidence to suggest that anticompetitive behaviour had flourished under the almost 12 years of the Howard government, which artificially inflated the already high costs of fuelling our vehicles. Labor’s policy initiative will achieve precisely what we intended it to achieve, which is to place downward pressure on fuel prices. At no stage during our time in opposition did we ever promise to reduce the price of fuel. In fact, to say so would be to continue to perpetrate blatant untruths.

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

Finally, after a decade as Treasurer, the member for Higgins for the first time apparently instructed the Australian Competition and Consumer Commission, the ACCC, to look at anomalies between the price of benchmark Singapore oil and the price motorists were paying to fill their vehicles—in other words: look but don’t touch, in line with existing coalition policy of doing nothing to relieve the pressure on Australian motorists. The then Treasurer was stung into appearing to take action, because Labor, as always, had set the agenda on the important policy areas that affect most Australians. As I said before, it was the election of the Labor government that finally gave the ACCC the powers to effectively monitor, investigate and prosecute any instances of collusion or other anticompetitive behaviour.

The Rudd Labor government has done more to introduce transparency into the petrol market in Australia in our first six months than the previous coalition government managed to do in 12 years. Labor promised to have a full-time cop on the beat, with full monitoring powers, and we have delivered. The government appointed Mr Pat Walker as the nation’s first Petrol Commissioner and he began work on the 31 March this year. We
have given the Petrol Commissioner full powers under the Trade Practices Act to formally monitor unleaded petrol prices to keep petrol companies in check. The government has asked the new Petrol Commissioner to particularly focus on LPG and diesel prices and, if the Petrol Commissioner asks for further powers, the government will look sympathetically at any such request.

Debate interrupted; adjournment proposed and negatived.

Mr GIBBONS—The National Fuelwatch Scheme will help motorists buy the cheapest petrol at the cheapest petrol stations at the cheapest times. I concede that motorists in smaller rural communities with only a small number of fuel retailers will not benefit anywhere near the extent that their city cousins will under the government’s proposal. I have long argued for a review of the dreaded tax on a tax that resulted from the former Howard government’s introduction of levying the GST on the pump price of petrol, which means that motorists are paying the GST on top of and included in the excise tax of 38c per litre. This means paying a tax on a tax, something that the previous government said would not happen. I welcome the announcement of a major review of our tax system announced by the Prime Minister that will include reviewing the current tax regime on fuel prices throughout Australia, including the current tax on a tax calculated at the fuel pump.

Under the Fuelwatch scheme, petrol stations in metropolitan and major regional centres will be required to: notify the ACCC of their next day’s prices by 2 pm the day before; maintain this advised price for a 24-hour period; and apply the scheme to unleaded petrol, premium unleaded petrol, LPG, diesel, 98 octane fuel and biodiesel blends. The petrol price information collected from these petrol stations will be made available to consumers through: an email and SMS alert service informing subscribed consumers of details of the cheapest fuel in their area; a national toll-free number where motorists can locate the cheapest petrol in the area as they look to purchase fuel; and a national Fuelwatch website with station-by-station, day-by-day and suburb-by-suburb petrol price information.

Analysis undertaken by the ACCC last year concluded that under the Western Australian FuelWatch scheme the ‘relevant weekly average price margin was around 1.9 cpl less on average’. However, significant savings can be made when consumers choose to buy from the cheapest petrol station in their area, which could be 15 or 20 cents less per litre than the most expensive petrol on sale.

The Fuelwatch proposal seems to have everyone’s support except the current Liberal-National federal opposition, who are only interested in a cheap and very dubious political fix by wiping out completely the $22 billion dollar surplus provided in the May budget. Of the surplus, $8 billion will be eroded completely by the reduction in excise promised by the opposition and the rest will be eroded by their opposition to a number of other budget initiatives announced by Labor. So much for their dubious reputation of being, ‘fiscal geniuses’!

Some experts have indicated that the days of fuel prices at around $1 per litre may well have gone forever. The Australian editor of EnergyBulletin, Mr Adam Grubb, and former oil, coal and gas industry executive Mr Ian Dunlop were recently asked:

Have we entered a new energy era of high-priced oil?

And—

Are the days of $1/litre petrol gone for good?

Mr Grubb responded by saying:

We—
that is, Australia—
appear to have reached the peak in oil production. Global conventional oil production peaked in May 2005. Australia as a net importing nation is particularly vulnerable. Our internal oil production peaked in 2000.

Mr Ian Dunlop answered:
There is little doubt we are now in a high-price energy era. On the demand side, the rapid growth of world population, all understandably aspiring to higher standards of living and consumption, is putting enormous strain on the global environment, to the point that we are probably reaching the ‘Limits to Growth’ forecast long ago.

They were also asked:
... as a policy response, how useful is lowering the fuel excise in combating the rising price of oil, both in the short and long term?

Mr Dunlop responded by saying:
It is completely futile. Prices are determined by the international market and there is nothing our government can do about that. Five cents per litre is irrelevant to a market where prices may fluctuate by several dollars.

Mr Grubb said:
Of course there may be some short term relief for struggling families. However we need to face the reality that oil is never going to be as cheap again as it was in the late eighties and nineties. As global oil exports continue to fall, prices will continue to rise in real terms. So we would merely be delaying the inevitable, while reducing government revenue which might be better spent helping those in need with more long term strategies and preparing the country for a leaner, and greener, future.

He went on to say:
Peak oil and climate change present us with an unprecedented challenge: how to begin consuming radically less fossil fuels while maintaining dignified lifestyles and essential services.

Clearly we need to look further than the current arrangements to secure an appropriate source of energy for our needs in the future. There are several options that would assist in this process but none are likely to provide any assistance over the short term.

Ethanol blended fuels are already available and considerable research is being done on growing oilseed crops that could be converted into fuel to drive our transport systems. Australia has estimated reserves of 150 trillion cubic feet of natural gas. If converted to transport fuel, it is enough to power all of Australia’s cars, buses and trucks for 50 years. Our natural gas is easily converted to liquid diesel that can be used without modification to existing engines. Australia currently exports up to 12 million tonnes of liquefied natural gas annually, with a 25-year supply contract recently signed with China—a couple of years ago now—and 15-year-plus supply contracts for 5 million to 8 million tonnes annually which have currently been negotiated or are under consideration with other potential export customers. While these exports are significant in terms of export revenue, they may not be in Australia’s long-term strategic best interests. We need to thoroughly examine the potential of converting some of our vast liquid natural gas resources into usable motor fuels, thereby reducing our dependency on oil from overseas.

I commend the bill to the House.

Mr HAWKE (Mitchell) (4.36 pm)—I rise to oppose the National Fuelwatch (Empowering Consumers) Bill 2008 and consequential amendments bill. Before the 2007 election the Prime Minister campaigned on a fresh approach. He offered something called ‘new leadership’ and the ‘hope’ for working families that petrol would be cheaper if there was a change of government. There was an expectation created. Of course, since the election we know that the Prime Minister and members of the government have learnt that there is a range of complex factors in oil prices, and indeed it is very difficult for them to make an impact on petrol prices.
I rise today representing my electorate of Mitchell, which has the highest rate of car ownership per dwelling in Australia. My electorate of Mitchell has 70.2 per cent of households with more than two cars; car ownership in my electorate is the highest of anywhere in this country. People pay exorbitant tolls to get to work in the city from the outer suburbs. That is why this bill needs to be closely scrutinised. Anything that may increase the price of petrol, or its complexity, needs to be closely monitored.

As established before the election, there was an expectation created that Mr Rudd would provide cheaper petrol for motorists. Like everything else at the time, blame was sheeted home to the Howard government. People in Australia were led to believe that, if the government changed, prices would be lower. An expectation was created. Every member in this chamber knows there was an expectation created in relation to the prices of a range of commodities around Australia. One of the reasons I oppose this bill is that any attempt by the government to fix commodity prices invariably ends up in failure. This bill fixes prices.

Fuelwatch seems to represent the peak of Rudd government policy. It is a well-worn adage that this government prefers spin over substance. It is commonly accepted as their method of dealing with issues. It may have worked in opposition, but in government it does represent a major blockage to designing and implementing effective policy. First we were going to monitor fuel prices and watch them. Now we are, in one sense, proposing legislation that could raise prices and penalise operators for lowering prices. Maximum penalties proposed in this legislation include $22,000 for a petrol retailer and $110,000 for a body corporate, all for lowering price. The explanatory memorandum of this bill tells us everything we need to know about this government’s approach to cost of living pressures in this country. Let me read it for the benefit of the House: ‘Failure to notify or maintain the notified prices by petrol retailers is a civil penalty.’ That is, you cannot put prices up; but let us be very clear: you cannot lower your prices either. Under this Labor government, if you lower your price on fuel you are guilty of some sort of offence. Putting down your price will see you punished.

This is in direct contrast to the stated objectives of a national Fuelwatch scheme, one of which is to empower consumers to make informed decisions and purchase fuel at the lowest possible price. We now know that this will not be the lowest possible price because if an operator wanted to lower their price they could not under the terms and provisions of this bill. In its very construction this bill is prevented from achieving its objectives, and attempts to fix the prices of commodities have invariably led to failure and higher prices.

Further, there is contradictory evidence on the effect this scheme will have on prices. In fact, there is much to suggest that it may raise the price. There has been much made of the ACCC and its attitude to any proposed scheme and the operation of the WA scheme that is already in existence. The government has contended many times now that the ACCC is in favour of a national Fuelwatch scheme. But ACCC chairman Graeme Samuel has said many conflicting things about the Fuelwatch scheme. He said that it is not about saving motorists money; he said it is, ‘not a process whereby consumers might be able to shave 0.5c per litre off their fuel costs’. He is saying that Fuelwatch is not about price. Once again this whole expectation created prior to the election that there would be relief on the price of petrol is an expectation that is not going to be met by this proposed legislation.
The ACCC has also been reluctant to attribute any downward pressure on WA prices over time to FuelWatch, pointing out that other forces were at work in the market. What could those forces be? Listen to this: the Institute of Public Affairs says that the petrol saving sometimes mentioned in relation to WA and the FuelWatch system can be attributed to the entry of Coles into the market in 2004 and not the introduction of the Fuelwatch system in 2001. Further and more alarmingly the IPA conclude in their report:

The ACCC analysis does not consider this possibility at all and is, at least, fundamentally incomplete and flawed as a consequence.

If the ACCC modelling did not include the entry of Coles as a major competitor into the fuel market in WA in its consideration of the effectiveness of FuelWatch, how can we rely on the evidence that they have provided? Hastily they backtracked and said that they had considered the Coles entry into the market, but the Institute of Public Affairs had caught them out. The whole premise of the government’s advice may well be based on a major flaw if it failed to consider the entry of a major competitor into that fuel market. Coles could be responsible for price variation.

The ACCC data and econometric modelling have not been released to the public. We are supposed to simply believe their so-called comprehensive analysis of the system. Calls in this House to see that modelling tabled have been ignored. No wonder four government departments warned this government about the introduction of a national Fuelwatch scheme. But, of course, in this regard when the government receives advice that it does not like it responds with the ad hominem attack that public servants are lazy and do not work or that they are not independent. As we know, ad hominem attacks are the weakest and most fallacious forms of attack.

The Rudd government itself warned of the negative impact a nationwide Fuelwatch scheme could have on motorists. A regulation impact statement was tabled by the Assistant Treasurer which highlighted anticompetitive concerns and that it would not meet consumer expectations of lower prices. The regulation impact statement clearly states that independent service stations are at a competitive disadvantage, as is the case in WA. The report notes:

The provision of this taxpayer funded service creates greater opportunities for price coordination amongst retailers, especially in more concentrated markets.

My electorate is also home to the national headquarters of the major corporation Woolworths. The Chief Executive Officer of Woolworths has told us that, far from improving the competitive environment, the scheme in WA has created an environment where Woolworths make their biggest margins—in a state where FuelWatch is in operation. We know that when a chief executive officer of a major company like Woolworths makes a public statement he is under all kinds of legal imperatives to tell the truth and to be very honest about his appraisal. That is a very serious statement from one of Australia’s major corporations headquartered in my electorate.

We also know that it was the view of the Minister for Energy and Resources that Fuelwatch would be bad for Western Sydney motorists. I support the Minister for Energy and Resources in his brave bid to communicate what everyone can see. He said in this House the other day that his heart was in Western Sydney. As someone who grew up in Western Sydney, I want to say thank you to the Minister for Energy and Resources for his honesty, clear sight and bravery. He is one of the last champions for the families and the workers in Western Sydney inside the Rudd government.
We know that Treasury’s advice that Fuelwatch would cost small business $4,000 per year to implement could be conservative. The Assistant Treasurer today refused to give a guarantee as to whether there would be ongoing costs for small business in implementing this scheme. The fact that it may cost small business $4,000 a year to implement ought to be disincentive enough for this House to consider this proposal. It ought to support small retailers and independent retailers against big business. But we also now know that the department of small business did not even consult with small business about the proposal. Not only will Fuelwatch be bad for consumers but it will also bad for small business.

The final point I would make is that the various automobile associations around Australia are concerned that this will not give motorists access to cheaper petrol—and that is what this is supposed to be about. We know that the predictive nature of the fuel cycle gives consumers a greater ability to purchase fuel at cheap times each week. Indeed, one statistic was that 71 per cent of South Australian motorists are aware that Tuesday is the cheapest day of the week to buy fuel. The end of the weekly cycle could be to the great disadvantage of the most empowered consumers, as this proposal exists. Again, to be guilty of an offence by lowering prices does not seem to be a path that we should be taking in the pursuit of cheaper petrol.

Fuelwatch is a political program, not something to benefit motorists. It will not empower consumers to have cheaper petrol. It will not empower small businesses and independent retailers to compete. But it will empower the Prime Minister and the Assistant Treasurer to claim that they have done all they can do. With petrol prices hitting a record in Western Sydney, the working families of Western Sydney deserve better from this government. A scheme that may increase price and reduce choice and that has already delivered big margins to the major companies should be rejected by this House.

Mr SULLIVAN (Longman) (4.46 pm)—I stand to give a Queensland perspective on fuel prices, which is not necessarily one that we have had before. My attention was drawn to an article in the Courier-Mail in January this year headlined ‘$70m petrol price rip-off’ which pointed out that, according to the estimation of people involved in the industry, Queenslanders over the month from mid-December to mid-January were ripped off by $70 million by the fuel companies. I was then most interested to read later on in the article that the Shell petrol company hit back at claims it was profiteering and it released its profit margins for Brisbane, Sydney and Melbourne. Shell claimed that in Brisbane it made 7.9c a litre profit; in Sydney and Adelaide, 4.3c; and in Melbourne, 3.6c. What occurred to me was if 4.3c profit is okay in Sydney, why isn’t 4.3c profit okay in Brisbane? What really was happening, at that time at least, was that the Shell company and other fuel companies in Queensland were eating into the Queensland state government’s subsidy to Queensland residents on fuel.

I have got no time for corporations who behave that way, unlike the members opposite who seem to be in here, not only today but for the past fortnight, fighting a rearguard action on their behalf. A lot of what has been said over the past fortnight has been about the fact that there are fines for lowering the prices, and the member for Mitchell repeated that matter just a moment ago. The ACCC tells us that there have been 46 infringement notices issued since 2001. There has been one prosecution for somebody selling at a price lower than the notified price.
I had an email come to my office from somebody who quoted to me that a small independent fuel station in Western Australia had been fined $800,000, so I thought I had better have a look at that. I found the information on the Western Australian FuelWatch website and I would like to read a bit from that website into the Hansard:

FuelWatch has fined a Mount Lawley petrol station owner Paul Stinton for acting in breach of the 24-hour rule when he decreased his petrol prices in the middle of the day.

Mr Stinton is the first retailer to be fined for breaching the 24-hour price rule by lowering his prices in the middle of the day. Since FuelWatch’s inception 10 metropolitan petrol stations have faced a total of 17 fines worth $6400 for failing to lock-in their prices for 24 hours, and selling fuel at a price higher than the FuelWatch notified price.

On four previous occasions Mr Stinton had received warnings from FuelWatch for being in breach of the 24-hour rule. On the most recent occasion in May—

that is, May 2005—

Mr Stinton was contacted by FuelWatch staff and was advised that he was in breach of the 24-hour rule when he lowered his fuel price in the middle of the day. Mr Stinton had ample opportunity to notify FuelWatch of his intended prices for the follow day, but failed to do so. He continued to sell fuel at a price lower than the price he had notified to FuelWatch for two more days. Mr Stinton continued to sell four fuel products at lower than notified prices for two days, and was fined $200 for each offence bringing the fine to $1600—

not the nearly $5,000 that we heard from members opposite last week and certainly not the $800,000 mentioned in the email that came to my office. The website news item went on to say that in February 2004, the previous year:

... Mr Stinton was fined $200 when he breached the 24-hour rule and increased his price by 10 cents per litre in the middle of the day. In that instance also, Mr Stinton was fined only after receiving a formal warning about such actions being in breach of the legislation.

It is important to understand why the 24-hour rule is in place. Certainly it is important in the context of a fuel market where the supermarkets have 65 per cent of the market that we understand how they operate. They use a thing called ‘price flexing’. That is a tactic that large retailers use to crush small businesses. Woolworths and Coles are particularly good at it.

Those of us from Queensland would be aware of a gentleman by the name of Joe Natoli, who was, until the amalgamation of councils recently, the Mayor of Maroochydore. Mr Natoli’s 71-year-old family fruit business was put out of business by Big Fresh, which previously had been Franklins, not Coles or Woolies. There are some members still in this chamber who were on the House of Representatives Standing Committee on Industry, Science and Technology who reported in May 1997. This is taken from that report, and is Mr Natoli talking:

On one particular occasion, Big Fresh advertised sultana grapes at $1.99 a kilo. By chance, we had advertised sultana grapes at $1.79 a kilo. They dropped their price ... we dropped ours. Within two hours, Big Fresh dropped their price to 49 cents a kilo. We reduced our price to 99 cents a kilo, but raised it to $1.29 per kilo, our cost price. They later raised their price to 69 cents and kept it there for two days. Their manager told us they kept the price low to punish us and teach us a lesson for taking them on.

The committee, when it reported to this parliament said that it ‘does not consider it acceptable to use small businesses as cannon fodder’ for large businesses. And that is precisely what would happen if these major corporations were allowed to bring price flexing into the fuel market.
When I was a state MP I had a quite remarkable woman who worked for me as my electorate officer. Her name was Lorraine McColl. When Lorraine started working for me she was already a great-grandmother, although quite young. She had the most wonderful turn of phrases, and one of those could be applied to the repeated assertions from members opposite that Labor guaranteed lower petrol prices. She would have called that ‘simply frog droppings’. Well, she would not have called it frog droppings, but you get the picture.

For the past week, speaker after speaker from the other side has repeated the claim that Labor promised cheap fuel. This is on the basis that if you repeat an untruth often enough it will become the truth. The shadow Deputy Treasurer, the member for Dickson, made two references to an alleged Labor promise in the first 10 minutes of his presentation and made five such references in the second 10 minutes. In a 20-minute speech, he made the claim that Labor had promised lower fuel prices seven times. But he did not provide us with any evidence—not a transcript, not a media release, not a media report. In fact, as the member for Bendigo said, he was verballing. Queensland police were discovered in 1988 to be the world’s champion verballers. I guess that the member for Dickson may have learnt something from his former profession.

Let me read a couple of pieces for you—

**Mr Johnson**—Mr Speaker, on a point of order: I take offence at the inference in that, which questions the integrity of the member for Dickson, the shadow finance minister. That is way out of order and I ask you to ask the relatively new member for Longman to correct himself.

**The DEPUTY SPEAKER (Hon. AR Bevis)**—If the comments were intended to imply illegal activity on the part of a member of the parliament, they should certainly be withdrawn.

**Mr SULLIVAN**—In the interest of not delaying the debate, I will withdraw. I do not think that it is very wise for somebody to continue to make those assertions without presenting any evidence. If the member wishes to take offence on behalf of other members, that is up to him. Let me talk about some real evidence. On the *Sunday* program on 15 July 2007, Laurie Oakes, a respected journalist and a respected political commentator, asked Wayne Swan this question: Can you guarantee if you win government petrol prices will fall?

Wayne Swan 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.

What did Peter Costello say? He certainly understood that we were not saying that petrol prices would drop. He rushed out to give a doorstop interview at Petrie Square in Kew, where most of the major doorstop interviews have happened, and he said this:

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.

Peter Costello understood that Labor was not promising cheaper fuel. On the ABC *AM* program on 8 August a couple of weeks later, Kevin Rudd was being interviewed. Kevin was asked this question:

Will any of this lower the cost of petrol by one cent?

Kevin Rudd said:

What we can only agree is that we would have on the beat an effective competition policy watchdog. Again, I’m not in the business of predicting future global oil prices.

There is a whole range of things that I would like to talk about today. Unfortunately, we are being defeated by time. Among those
things are: the rapid increase in the price of Malaysian oil; the misuse of market power by the major corporations with their shopper docket schemes, which the Service Station Association predict will put 3,000 independent service stations out of business; and the price benefits that will come from Fuelwatch, as predicted by a price analysis done by a non-captured analyst. However, in the interest of making sure that this debate concludes on time, that is about where I will leave it. Thank you.

Mr JOHNSON (Ryan) (4.58 pm)—I am always delighted to speak in the House of Representatives chamber of the Australian parliament and to very strongly speak for the constituents of Ryan, who I have the great honour of representing here in the parliament, and to ensure that their voices are loud and clear in this place. The National Fuelwatch (Empowering Consumers) Bill 2008 and the National Fuelwatch (Empowering Consumers) (Consequential Amendments) Bill 2008 are very important, because they impose a certain scheme upon the Australian motorist. In the time that I have available to me, I want to talk on that and related points. Before I do, I want to make the observation that I regret very much the inference that the previous member speaking to these bills made on the character of the member for Dickson, the shadow finance minister. He referred to 1989 and the Queensland police force and its activities. In the same breath, he said ‘The member for Dickson might be able to learn something from his former colleagues.’ It is most regrettable that that sort of inference can be cast upon other members of this parliament. We are here to debate ideas and to debate policies. We are here to debate each other in the spirit of democracy and goodwill and to question the policies of each other and each others parties, not to cast aspersions on individual members.

If the member for Longman wants to talk about evidence, let me draw his attention to a piece of evidence, which the Hansard will very clearly highlight. In this place last week the Minister for Resources and Energy talked about petrol prices being ‘a little problem’. If he cares to challenge that, he might take the time to look at the Hansard last week where the minister talked about a little problem for the motorists of Australia and, of course, that includes the motorists of Ryan that I represent here. Let me say to the parliament, to the government and to the Prime Minister that increasing petrol prices is no little problem for the people of Ryan. Increasing petrol prices affects students, pensioners, standards of living, businesses and those families that depend very much on petrol prices being stable and maintained at an affordable level. It is no little problem, Minister; it is no little problem, Prime Minister. I will ensure that the people I represent will be constantly reminded that increasing petrol prices is no little problem, which under the watch of this government has increased 13c since the last election.

I think that time has caught up with the Labor government because there is absolutely no doubt at all that at the last election the Prime Minister and his colleagues in the Labor Party gave the very, very clear impression to the people of Australia that only they had the solutions to the petrol issues, only they had the solutions to the problems of the country and only they would do something about it; Mr Howard’s government was incapable of it. Of course, as I said, Labor’s true colours are really showing through now, because since 24 November last year petrol prices have gone up and we have a Labor Prime Minister and a Labor government.

I am sure that the Deputy Speaker will be interested in this because his seat of Brisbane is adjacent to the seat of Ryan which I, very proudly in my third term, represent. At the
Matilda station on Waterworks Road in The Gap, petrol prices today were 153.5c. At the BP service station on the corner of Moggill Road and Stamford Road, Indooroopilly, petrol prices were 155.99c. They are quite substantial prices, of course. Let us not get away from the fact that here in Canberra there is a federal Labor government and prices have gone up. The people of Ryan are going to be paying $1.53 if they go to the Matilda station on Waterworks Road and 155.99c if they happen to fill up at the BP bowser on the corner of Moggill Road and Stamford Road, Indooroopilly.

This bill, as I said, imposes a national Fuelwatch scheme on Australian motorists. The scheme requires specified petrol retailers to notify the ACCC of their next day’s fuel prices by 2 pm each day. Petrol retailers must sell at their notified prices from 6 am the next day and maintain these prices for a 24-hour period. Failure to notify or maintain the notified prices by the petrol retailers will constitute a civil penalty. What this means is that, if a service station owner wants to reduce his prices, he is going to be fined. This is just absolutely absurd! In our country and in our system we believe in competition and in the market. We believe that, if a service station wants to reduce their prices, they should be able to do it. To penalise them for reducing their prices is just completely absurd. It is a slap in the face to enterprise. It is a slap in the face to small business owners and operators. I think that the people of Ryan will find this laughable—and that is to put it generously.

The Prime Minister has constantly told the Australian people that he has relied on the ACCC. In fact he has relied on them exclusively. This is, of course, from a Prime Minister who wants to put his Treasury front and centre in the policy debate. This is from a Prime Minister who preaches to the public of Australia and to the people of Ryan that he thinks the Public Service should be giving fearless and frank advice and that he will take that on board. Of course, we know in this case that they certainly gave him fearless and frank advice but he completely ignored them and he only relied on the ACCC to give him the best course of action.

Let me inform the people of Ryan, whom I proudly represent here, of some interesting observations of Mr Samuel of the ACCC. I want to put this on the record before I end my remarks, because it is important for the people of Ryan. On 3 August 2006, Mr Samuel, the ACCC chairman, said to the Senate Economics Legislation Committee here in the parliament:

Transparency is always a welcome issue, but there is another element of the FuelWatch arrangement in Western Australia that has a potential for having some negative impacts on competition—that is, the 24-hour notification. There was—this is anecdotal, of course—an individual retailer in WA that just a little while ago objected to the 24-hour notification and, as I recall, posted on the site that he intended to charge $100,000 a litre the next day for petrol because he frankly was going to work on the basis of discounting over a more regular period than 24-hour notification. The sorts of movements that we were talking about earlier today in discounting have tended, particularly where there is vigorous discounting in the price cycle occurring, to occur on a half-hourly or hourly basis. Of course, that cannot occur in Western Australia, where 24-hour notification is required before the price can be posted. To that extent, we have concern that that 24-hour notification can have a negative impact on competition. I think we expressed a view on this back in 2002.

Mr Samuel, the chairman of the ACCC, on whom this Labor government relies for its policy on the run, is saying that the Fuelwatch legislation is in fact going to be anti-competitive. It has consequences for competition. Let me quote a colleague of Mr Samuels on the ACCC. In that same series of
comments to the economics committee, Mr Cassidy said:

As the chair has indicated, 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. Indeed, we have had some of the independents in Western Australia basically indicate the same thing to us.

There you have it: Mr Samuels and Mr Cassidy, who are members of the ACCC, expressing their observations and their anxiety that FuelWatch is effectively anticompetitive. We are about competition.

I want to take the opportunity in the parliament of Australia as the member for Ryan to make it very clear to the parliament and certainly to advise the people of Ryan that this is really policy on the run. The Fuelwatch scheme is not going to work; it is very disappointing that this is the only thing that Mr Rudd can come up with after six months in office. I certainly commend the federal opposition’s position of reducing the petrol excise by 5c, because that is going to make a meaningful difference to the working families of Ryan, who I have the great honour to represent here in the parliament of Australia.

Mrs HULL (Riverina) (5.08 pm)—I rise today to speak on the National Fuelwatch (Empowering Consumers) Bill 2008 and the National Fuelwatch (Empowering Consumers) (Consequential Amendments) Bill 2008 bills. I will make my comments brief as I recognise that the House is time constrained. I want to raise the issues that I am sure many of my rural colleagues in this House would have liked to have put the issues of their constituents on the record. They would also have liked to put the issues of country people and discuss the way in which the cost of fuel and all of these decisions, particularly the decision to implement Fuelwatch, will impact adversely upon them.

I come from the Riverina centre of Wagga Wagga, where I have a Fuelwatch committee that have been working for many years to try to understand the cost and pricing of petrol. They have spent a lot of time and effort trying to bring the oil companies to account for the differential that we have experienced over many years between city and country prices, particularly Wagga Wagga, Griffith, Leeton, Narrandera and those areas.

I was speaking just two evenings ago to one of the members of the Fuelwatch committee, Dr Edwin Brookes. He stated that he was perplexed about the role of the new Petrol Commissioner, which he had great hopes for. He said he had read some articles recently that had made him confused about how the Petrol Commissioner would act. He also raised with me some of the issues that were in the Daily Advertiser, a Wagga Wagga paper, on 2 June. Minister Tanner was quoted as saying that there were hundreds of pages in the ACCC report and recommendations on Fuelwatch. In fact, there were not hundreds of pages on Fuelwatch; there were just a few short pages that raised more questions than they answered, particularly for rural and regional Australians. This was under a topic dealing with country and regional Australia.

The ACCC provided no recommendations for Fuelwatch. In fact, there was a very low level of analysis within the ACCC report. Comments on the final page and the two last sentences concluded that the purpose of the analysis had been to satisfy the ACCC that Fuelwatch would not cause increases in the
price of petrol. But we were not talking about increases in the price of petrol at the last election. We were clearly talking about the lowering of petrol prices and the fact that there was a view that the last government did nothing to lower those prices. I know that the Labor candidate who opposed me in the last election will be very disappointed because he is a decent man who has the interests of the people at heart. It was clear that he believed that the election of a Labor government would bring petrol prices down because the Howard government was inactive in this area. I know that he would be terribly disappointed with the outcomes since the election.

I made a personal submission to the ACCC inquiry because I have been fighting on the issue of fuel costs and the lack of transparency of pricing of fuel for so long in my electorate, which has been hindered and literally held to ransom by the high cost of fuel. Out of all the other country areas, it has experienced a higher cost for fuel. There was always a view that there may have been cartel behaviour behind this.

When the ACCC visited Wagga Wagga, I appeared before the ACCC and provided a submission and additional information. At the time there was an absolute lack of understanding of the difference between the TGP—the terminal gate pricing—the Singapore megas price and other prices at the bowser. At the time, we had major oil companies that were selling at 3c a litre less than my independent could purchase for at the terminal gate price. We had a price war happening with Coles in Albury. They had a very low price in the Albury-Wodonga area to subsidise against independent competition. The independent had chosen to drop his prices down. But up the road in the Riverina the petrol price was sky high in order to aggregate and spread the risk of Coles putting fuel prices down to defeat the independents in and around the Albury area. We were left to suffer higher prices. This is exactly what will take place with the fixing by Fuelwatch of prices in country areas. The Fuelwatch scheme will actually support this activity. You will have our major oil companies going out there setting the prices high in some areas, low in other areas, aggregating their losses and costs over a number of outlets, and forcing independents out of their livelihoods. This is a major problem.

We have limited time here today. I had five minutes—I have taken six—but I did want to raise with the House that it is a major issue that we are not able to come to the House and debate this with the clarity and intensity that it requires. I for one am absolutely distressed that we will have it imposed upon us—or upon local government now, I am told. Local governments have now been identified as the operators of this process, if we take notice of what the Prime Minister is saying in the media—that it will be up to local governments to decide whether they will implement it. This is not an issue for local governments to implement; this is a leadership issue and something that has been ill thought out. I appeal to the Prime Minister to reconsider and rethink this because of the impact it will have on all country seats and obviously outer metropolitan seats as well. I am certainly in opposition to this process of price fixing by the new Labor government.

Mr KATTER (Kennedy) (5.16 pm)—In speaking to the National Fuelwatch (Empowering Consumers) Bill 2008 I told the troops back home that we spent last week in the parliament arguing over whether we should watch the fuel bowser prices or whether we should not. They regarded it as a joke; they thought it was extremely funny. I had meant it as a joke, but in actual fact it is exactly what we have been doing. Someone leaked something; someone didn’t leak something. The average person is really worried about fuel prices.
Sunrise did a program three days ago where David Koch said, ‘Can the politicians do anything about it?’ and Mr ‘Cleverness’—one of these blokes they drag out of Sydney, one of the slithering Sydney suits; that might be unfair to him but they know everything about everything—said, ‘Basically they can’t.’ I sent an email to the program saying: ‘Yes, they can. You just said the Americans are on $1.09 and Australians are on $1.55, so it would be a good idea to see what the Americans are doing.’ Of course, what they have is ethanol. The President, in the last State of the Union message he gave, said that 75 per cent of imported oil would be replaced by electric cars, hydrogen and, of course, biofuels—ethanol. He specifically mentioned ethanol.

For those of us who know something about what we are talking about here, hydrogen is a long way off. You can only get it two ways. You can do it chemically. You have to take it from CH3 or CH4—I forget which it is. You do that by burning it, which puts carbon dioxide into the atmosphere. For every molecule of hydrogen you get, you put one or two molecules of CO2 into the atmosphere. So I don’t think we will be going down that road. If you want to do it by electrolysis it is enormously expensive. So while everyone would like to think about hydrogen, I would like somebody to tell me how it could be done. He mentioned electricity. Electricity is terrific in the inner-city and it should be done now, but once you get to the outer suburbs, no way Jose—it is an entirely different ball game.

Brazilians are filling up their cars for 74c a litre. I must simply have lost all my communication skills, because I come into this place constantly and say this. I said to my son, ‘You only get bashed up once, because you figure out how he did it to you and you do it back to him.’ It is similar here: if somebody else has got a huge margin on you, simply find out what they are doing. What they are doing in America, of course, is ethanol, unlike our governments. Governments over the last 20 years, including this government, have preached to us about free trade and free markets. What have free markets delivered to us? When the Fraser government fell, there were only 420 sites controlled by the oil companies. There are probably only about 420 of the 20,000 sites in Australia that are controlled by the independents now. Woolworths and Coles and their partners, Caltex and Shell, are claiming already that they have 75 per cent of the market, and I think that they do. That is not including the other two oil companies.

There are no bowser which we can get our ethanol into. We know we can produce it for the same price as the Brazilians, at around 66c a litre—a bit more than the Brazilians, but really the same as the Brazilians. They will claim 46c but I think 60c is apples with apples. But why do we keep coming into this place, saying, ‘We’re gonna watch fuel.’ We have spent two weeks in this place talking about watching bowser prices. For what it is worth, it is probably a good idea. The member for New England and I will probably vote for it. We see some merit in it and it might make a difference of one or two cents, but most people cannot afford the petrol to drive across the city to fill up at the bowser that is 2c a litre cheaper. That is why this is not going to make any difference to anything. If the Brazilians were filling up for 74c a litre, and the Americans—this is apples with apples—were filling up for 81c a litre and at the same time Australians were filling up for a $1.15 a litre, you have got to say, ‘Let’s just find out what they’re doing.’ It is very simple: they produce ethanol. The arguments about food I would put in exactly the same category.

The parliament debated—and I think we actually passed some legislation—whether
ethanol is going to break your motor and break your car. All the cars are breaking down in Brazil, are they? I went to Sao Paulo the first time I went overseas in my life; I went there on the ethanol thing. I did not notice any cars in Brazil breaking down at all. In Los Angeles I did not notice any cars breaking down. We went through there on our way to Brazil. I did not notice any breaking down in Minnesota, where they have been on 10 per cent for 20 years. I did not notice any cars breaking down. But we took seriously the absolutely ludicrous proposition being put forward by the oil companies, of course! We were told we could not have it because it would not mix. Mr Truss told us it would not mix. That was laughed to ridicule. The next one was that it was going to cause cancer. Larry Johnson happened to be here at the time. He said, ‘Pour petrol in the river and fish die; pour ethanol in the river and fish smile.’ It is pure alcohol. That was laughed to ridicule. The next one was that it was going to cause cancer. 

Mr Kerr interjecting—

Mr KATTER—The minister is gesticulating. I am sorry for the minister, as he has to catch an aeroplane. I have to catch an aeroplane too. But we are entitled to speak on these matters, which are of great importance to the nation. The latest one is that the world is going to starve. I will tell you that the only people who might starve are some of the rich beggars in Australia who happen to be associated with the oil companies—which are making $23,000 million more profit than they were making three years ago. Shell and Caltex own the oil wells. The cost of production is the same today as it was three years ago. They are making 300 per cent more profit than they were making three years ago and are kidding us that that is not an incentive to go out there and tell a pack of lies—the latest one being that we are all going to starve to death. I am not going to speak any further on this, except to say that the Brazilians have an intelligent government. Their intelligent government delivers to them carbon dioxide reducing ethanol petrol at 74c a litre. The Americans have carbon dioxide reducing ethanol at 81c a litre. Poor muggins Australians are filling up our cars at $1.50 a litre. We may have a number of things, but we do not have clever governments in this country.

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (5.26 pm)—in reply—I do not propose to detain the House for long. I thank all members who have made a contribution to the very important debate on the National Fuelwatch (Empowering Consumers) Bill 2008 and the related bill. It has been a wide-ranging one. There were three reasons for the government to do this: firstly, to increase price information for consumers; secondly, as the ACCC has expressed, we have grave concerns about the competitiveness and the competition in the retail sector of petrol and the anticompetitive nature of the exchange of information between petrol stations; and, thirdly, the econometric modelling conducted by the...
AACC, and which the Australian Treasury have indicated to the Senate estimates committee they are comfortable with and support, showed a modest downward pressure on prices. The first two reasons are by far the more important for doing this. If you had econometric modelling which showed no increase in the price of petrol, you would still do it. If it simply showed that there was no adverse impact, you would still do this because of the power it gives consumers. This levels the playing field. At the moment, the cards are stacked against Australian motorists. They do not know the movements in the price of fuel or when they are about to go up. They do not know where the cheapest fuel is. But the service stations swap information.

Today—and as far as I know it is still going—for over eight hours the ACCC has been before a Senate estimates committee. Senators from the other side have done their best to blow holes in the ACCC’s case. They have not laid a glove on it. They did not lay a glove on it last night in the four hours of Treasury testimony. The testimony stands for itself. The proposition put by honourable members opposite is: we have an ACCC and we have a Petrol Commissioner, who we should duly ignore; we should not give them the powers that they say they need to ensure competition in the Australian retail petrol market; we should not give them the capacity to give consumers more information; and we should not empower consumers to find out where the cheapest petrol is available to them. This is a modest measure which will help. As is always the case, other people have expressed this better than I can. We have been deluged with messages over the last week or so about Fuelwatch. Some have been in favour and some have been against. The vast majority have been in favour. I will share two with the House. These two explain better than I can why the government has embraced Fuelwatch. The first reads:

Dear Mr Rudd

I am an age pensioner and have used FuelWatch via my email address for several years. There’s no doubt that I have saved hundreds of dollars in this period. Sometimes the savings can be up to 10c. The argument put up by Dr Nelson is rubbish.

Another reads:

Dear Mr Rudd

I have recently subscribed to FuelWatch here in Western Australia and have been watching the news about the possible introduction of Fuelwatch to other states. Having fuel prices available the day before allows for consumers to find the most convenient, lowest prices to them and to save money. I wholeheartedly support this.

Fuel prices vary by up to 13c a litre for petrol and 12c a litre for LPG which I use, which for LPG is about 40 per cent price difference on the same day. I am so grateful for the FuelWatch scheme, as often the most expensive fuel is near me and the cheap one is far away. But I know, if I am going somewhere further from home the day before all I do is check it out and go there, sometimes saving 14c a litre. Today I paid 58.2c in Highgate but in Fremantle it was 71.9c. That seems ludicrous to me that they’re even allowed to be that far apart, but thankfully I can support the lower priced stations.

The Australian people are not silly. They know the cards are stacked against them. They know that they do not have the information they need. They know that service stations swap information. If I had a dollar for every time somebody in a taxi or somebody in my electorate has said to me, ‘Surely there is collusion in the petrol market,’ I would not have any problems because I would have plenty of money. As the Chairman of the ACCC said today before Senate estimates in sworn testimony, ‘What we have at the moment is as close to collusion as you can get without it being illegal.’ When the Chairman of the ACCC, who is appointed to represent consumers and promote competition, has that view it is incumbent on the Australian government to seriously consider
his recommendations. That is what we have done. This is one of several things that we are doing. I will not detain the House. We are criminalising cartel operations, strengthening section 46 and doing all sorts of things to promote competition. But this is an important step.

In conclusion, it is a matter of public record that Treasury staff have worked very hard on this matter. The Treasury staff who have assisted me in this have been the most dedicated and professional I have ever had the honour to be associated with. I put on record my thanks to all of them—and they know who they are. They have helped the government in implementing this very important policy over recent weeks and have been feeling the pressure in particular over recent days. I put on record my personal thanks to them for their sterling work. They are the most dedicated I could ever be associated with. I commend the bill to the House.

Question put:
That the words proposed to be omitted (Mr Dutton’s amendment) stand part of the question.

The House divided. [5.36 pm]
(The Speaker—Mr Harry Jenkins)
Ayes……………… 75
Noes……………… 52
Majority……………… 23

AYES
Adams, D.G.H.
Bevis, A.R.
Bird, S.
Bradbury, D.J.
Burke, A.S.
Byrne, A.M.
Champion, N.
Clare, J.D.
Combet, G.
Danby, M.
Dreyfus, M.A.
Ellis, A.L.
Emerson, C.A.
Ferguson, M.J.
Garrett, P.
George, J.
Gillard, J.E.
Grierson, S.J.
Hale, D.F.
Irwin, J.
Katter, R.C.
Livermore, K.F.
Marles, R.D.
McKew, M.
Melham, D.
Neumann, S.K.
Owens, J.
Perron, G.D.*
Price, L.R.S.*
Rea, K.M.
Rishworth, A.L.
Rudd, K.M.
Shorten, W.R.
Snowdon, W.E.
Symon, M.
Thomson, C.
Trevor, C.
Zappia, A.

NOES
Andrews, K.J.
Bailey, F.E.
Baldwin, R.C.
Cioffi, S.M.
Benn, G.D.
Blanche, J.
Blasko, S.
Bolton, M.
Byrne, A.M.
Chapman, N.
Clare, J.D.
Combet, G.
Danby, M.
Dreyfus, M.A.
Ellis, K.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Georganas, S.
Gibbons, S.W.
Gray, G.
Griffin, A.P.
Hall, J.G.*
Jackson, S.M.
Kerr, D.J.C.
Macklin, J.L.
McClelland, R.B.
Mcmillan, R.F.
Murphy, J.
O’Connor, B.P.
Parke, M.
Pilbarra, T.
Ragousse, B.B.
Ripoll, B.F.
Roxon, N.L.
Saffin, J.A.
Sidebottom, S.
Sullivan, J.
Tanner, L.
Thomson, K.J.
Vamvakas, M.
Question agreed to.

Original question put:

That this bill be now read a second time.

The House divided. [5.43 pm]

(The Speaker—Mr Harry Jenkins)

AYES

Adams, D.G.H.
Bevis, A.R.
Bird, S.
Bradbury, D.J.
Burke, A.S.
Byrne, A.M.
Champion, N.
Clare, J.D.
Combet, G.
Danby, M.
Dreyfus, M.A.
Ellis, A.L.
Emerson, C.A.
Ferguson, M.J.
Garrett, P.
George, J.
Gillard, J.E.
Grierson, S.J.
Hale, D.F.
Irwin, J.
Katter, R.C.
Macklin, J.L.
McClendon, R.B.
McMullan, R.F.
Murphy, J.
O’Connor, B.P.
Parke, M.
Pübersek, T.
Raguse, B.B.
Ripoll, B.F.
Roxon, N.L.
Saffin, J.A.
Sidebottom, S.
Sullivan, J.

Tanner, L.
Thomson, K.J.
Vamvakinou, M.

Thomson, C.
Zappia, A.

NOES

Andrews, K.J.
Baldwin, R.C.
Cobb, J.K.
Downer, A.J.G.
Farmer, P.F.
Gash, J.
Haase, B.W.
Hawke, A.
Hull, K.E. *
Irons, S.J.
Johnson, M.A. *
Laming, A.
Macfarlane, I.E.
Markus, L.E.
Mirabella, S.
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.
Vaile, M.A.J.
Washer, M.J.

Bailey, F.E.
Ciobo, S.M.
Coulton, M.
Dutton, P.C.
Forrest, J.A.
Georgiou, P.
Hartsuyker, L.
Hawker, D.P.M.
Hunt, G.A.
Jensen, D.
Keanan, M.
Ley, S.P.
Marino, N.B.
May, M.A.
Morrison, S.J.
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.
Vale, D.S.
Wood, J.

* denotes teller

Question agreed to.

Bill read a second time.

Third Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (5.44 pm)—by leave—I move:

That this bill be now read a third time.

Question put.
The House divided. [5.46 pm]
(The Speaker—Mr Harry Jenkins)

Ayes…………… 72
Noes…………… 52
Majority……… 20

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. D’Ath, Y.M.
Danby, M. Debus, B.
Dreyfus, M.A. Eliot, 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. *
Irwin, J. Jackson, S.M.
Livermore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. McMullan, R.F.
Melham, D. Murphy, J.
Neumann, S.K. O’Connor, B.P.
Owens, J. Parke, M.
Perrett, G.D. Pilbrow, 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.
Sullivan, J. Symon, J.A.
Tanner, L. Thomson, C.
Thomson, K.J. Trevor, C.
Vamvakinou, M. Zappia, A.

NOES
Andrews, K.J. Bailey, F.E.
Baldwin, R.C. Ciobo, S.M.
Cobb, J.K. Coulton, M.
Downer, A.J.G. Dutton, P.C.
Farmer, P.F. Forrest, J.A.
Gash, J. Georgiou, P.
Haase, B.W. Hartsuyker, L.
Hawke, A. Hawker, D.P.M.
Hull, K.E. * Hunt, G.A.
Irons, S.J. Jensen, D.
Johnson, M.A. * Keenan, M.
Laming, A. Ley, S.P.
Macfarlane, I.E. Marino, N.B.
Markus, L.E. May, M.A.
Mirabella, S. Morrison, S.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. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Truss, W.E. Tuckey, C.W.
Vaile, M.A.J. Vale, D.S.
Washer, M.J. Wood, J.

* denotes teller

Question agreed to.
Bill read a third time.

NATIONAL FUELWATCH
(EMPOWERING CONSUMERS)
(CONSEQUENTIAL AMENDMENTS)
BILL 2008

Second Reading
Debate resumed from 29 May, on motion
by Mr Bowen:
That this bill be now read a second time.
Question put.

The House divided. [5.49 pm]
(The Speaker—Mr Harry Jenkins)

Ayes…………… 72
Noes…………… 52
Majority……… 20

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.
Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (5.50 pm)—by leave—I move:

That this bill be now read a third time.

Question put.

The House divided. [5.51 pm]

(Ayes: 72; Noes: 52; Majority: 220)

**AYES**

Adams, D.G.H.  
Albanese, A.N.  
Bevis, A.R.  
Bird, S.  
Bradbury, D.J.  
Burke, A.E.  
Byrne, A.M.  
Champion, N.  
Clare, J.D.  
Combet, G.  
Danby, M.  
Debus, B.  
Dreyfus, M.A.  
Ellis, A.L.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Gillard, J.E.  
Grieve, S.J.  
Hale, D.F.  
Irwin, J.  
Livermore, K.F.  
Marles, R.D.  
McKew, M.  
Melham, D.  
Neumann, S.K.  
O’Connor, B.P.  
Owens, J.  
Perrett, G.D.  
Price, L.R.S.  
Rea, K.M.  
Rishworth, A.L.  
Rudd, K.M.  
Shorten, W.R.  
Simpkins, L.  
Slipper, P.N.  
Smith, A.D.H.  
Southcott, A.J.  
Truss, W.E.  
Vaile, M.A.J.  
Washer, M.J.  
* denotes teller

Question agreed to.

Bill read a second time.

Third Reading

The Speaker—Mr Harry Jenkins

Ayes............ 72
Noes............ 52
Majority........ 220

**AYES**

Adams, D.G.H.  
Albanese, A.N.  
Bevis, A.R.  
Bird, S.  
Bradbury, D.J.  
Burke, A.E.  
Byrne, A.M.  
Champion, N.  
Clare, J.D.  
Combet, G.  
Danby, M.  
Debus, B.  
Dreyfus, M.A.  
Ellis, A.L.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Gillard, J.E.  
Grieve, S.J.  
Hale, D.F.  
Irwin, J.  
Livermore, K.F.  
Marles, R.D.  
McKew, M.  
Melham, D.  
Simpkins, L.  
Slipper, P.N.  
Smith, A.D.H.  
Southcott, A.J.  
Truss, W.E.  
Vaile, M.A.J.  
Washer, M.J.  
* denotes teller

Question agreed to.

Bill read a second time.
(a) the continuing human rights concerns in Tibet; and

(b) the continuing restrictions on entry to Tibetan areas for journalists, international observers, non-government agencies and foreign diplomats;

(2) welcomes the informal talks between the Chinese Government and representatives of His Holiness, the 14th Dalai Lama on 4 and 5 May 2008 in Shenzhen, China, and the agreement to hold a further round of the China-Tibet dialogue;

(3) encourages both parties to work sincerely towards a peaceful and mutually agreed resolution on the China-Tibet issue;

(4) welcomes the Prime Minister’s forthright statements to the Chinese Premier and President in public and in private on the need for constructive dialogue during his recent visit to China;

(5) recognises that the China-Tibet issue was also raised with the Chinese authorities by the former Government;

(6) acknowledges there is bi-partisan support in the Australian Parliament for a peaceful resolution on the differences between Tibet and China; and

(7) requests the Government actively supports and monitors progress on the China-Tibet dialogue and offers its support to help bring about a positive outcome.

Mr Pyne to move:

That the House:

(1) notes:

(a) today there are hundreds of thousands of children working on cocoa farms in Ivory Coast and Ghana and that these children routinely carry heavy loads, and work with fire, chemicals and knives, with little or no protection. Many of them have no chance of going to school;

(b) about 70% of the cocoa beans used to make chocolate around the world come from West Africa, namely Ivory Coast and Ghana; and
(c) the principle reason that child labour is employed to grow cocoa is because cocoa farmers are paid so poorly for their produce;

(2) commends World Vision Australia for its ‘Don’t Trade Lives’ campaign to draw attention to the plight of child exploitation in the world today; and

(3) calls on the Prime Minister to take action to ensure that the chocolate industry knows Australia is serious about ending child exploitation and slavery by introducing a policy requiring vending machines in Australian Government offices to exclusively stock Fair Trade Chocolate.

**Mr Tuckey** to move:

That the House recognises the energy, water and agricultural potential in the far north of Australia, and in particular the Kimberley region, and urges the Parliament to give prior

**Mr Trevor** to move:

That the House:

(1) recognises the 100 year centenary of Australian Rugby League and its contribution to Australian society, culture and community; and

(2) congratulates and recognises the contributions of players both Indigenous and non-Indigenous, volunteers, officials, parents, children and others who have made this sport a truly great contributor to Australia as a nation.

**Mr Ciobo** to move:

That the House:

(1) condemns the Government for abandoning the tourism industry in a time of need;

(2) notes the negative impact that the Government’s decision to reduce funding for Tourism Australia by $5.9 million in real terms will have on the tourism industry;

(3) recognises that the Government’s $940 million of new tourism taxes will adversely affect the 483,000 Australians employed in the tourism industry; and

(4) acknowledges, that in the new spirit of cooperative federalism, many State Labor Gov-
Thursday, 5 June 2008

STATEMENTS BY MEMBERS

Franchises

Mr IRONS (Swan) (9.30 am)—Previously I brought to the attention of this parliament an issue regarding a Michel’s Patisserie franchise in my electorate of Swan. Today I wish to provide parliament with an update on this matter, on which I am working hard for two of my constituents in order to achieve a fair outcome. At present they are both under enormous duress and can see their lifesavings, assets and reputations sliding into an abyss. The last time I raised this matter I said I would continue to pursue this to the best of my ability.

Raising this subject again may seem repetitious but I make no apology for the process and duty of working for my constituents. I am pleased to report that on 3 June 2008 a productive meeting was held with the ACCC and five coalition MPs, including me; Don Randall, the member for Canning; Dennis Jensen, the member for Tangney; Joanna Gash, the member for Gilmore; and Mal Washer, the member for Moore. As you can tell by the number of members in attendance at this meeting, issues with franchises are not confined to the electorate of Swan but occur in electorates right across Australia. Attending this meeting from the ACCC were Commissioner John Martin and the ACCC General Manager of the Compliance Strategies Branch, Nigel Ridgway. I would like to thank them for their time in making themselves available to meet with us.

They informed us that the current state of play for franchisees experiencing difficulties with franchisers is to seek mediation in order to reach a resolution to their problems. However, it remains that mediation still poses a problem for franchisees because of the costs involved. You see, many franchisees are unable to pay half the fee that is required of them by the time the matter reaches the mediation stage. This is because they are usually insolvent and on the edge of bankruptcy. I therefore put it to the parliament that the government consider a fund to assist franchisees with the cost of mediation.

At our meeting with the ACCC, we were also informed that the real solution to problems with franchisers needs to come from the federal government. This is because under current legislation there is little that can be done to pin unethical franchisers down. I would also like to call on the government to provide the necessary legislation to support franchisees and to ensure that the franchise industry is operating both fairly and ethically. Government programs need to be put in place that provide franchisees with the opportunity to speak to someone to get advice and that offer the option of pursuing arbitration with franchisers. It is a tragedy that within our current commercial community these problems still exist in the small business world.

Franchisees are still being bullied and pushed to the wall by franchisers. The government and opposition need to take decisive action to protect these Australian working families who have purchased franchises with their savings in the hope of bettering their lives and financial situations. The Rudd government claims to represent the interests of working families. Well, here is the chance for the Rudd government to do something, with opposition support, and

MAIN COMMITTEE
protect a large group of working families who are being treated unfairly by big business franchises so that they stand to lose all they have achieved in their working lives. *(Time expired)*

Queensland Day

Forde Electorate

Mr Colin Nelson

Mr RAGUSE (Forde) (9.33 am)—Tomorrow marks a very important day in Queensland. I am here to talk a little bit about Queensland because 6 June is Queensland Day. While we all proudly stand up as Australians and recognise the Federation some 107 years ago, it is very important not to forget where we have come from. Certainly the important fact for Queensland is that 149 years ago tomorrow Queen Victoria signed the letters patent that formed Queensland as a separate colony, and so we celebrate 6 June as Queensland Day.

My electorate is the electorate of Forde; the member for McPherson, who is sitting across from me, knows Forde very well because we have neighbouring seats. It is a beautiful area and we celebrate the beauty of the area and also the people who reside in that electorate. The people of Forde, like many around the country, engage in a voluntary capacity in many activities that help our communities. So I have decided on Queensland Day in the seat of Forde to celebrate that fact and recognise members of our community who have worked very hard. A select number of people have been nominated for their work within the community, and tomorrow I will be giving out awards to over 40 constituents of Forde who have proven to be very important in our community.

I will quickly say a little bit about Forde. We have one of the oldest national parks in the Southern Hemisphere. One hundred years ago, Witches Falls was deemed to be a national park—in fact, it was on the same day that Rugby League formed itself in Australia.

Of those people we are recognising tomorrow, there is one who particularly stands out among them all. My inaugural award for the Queenslander of the Year in the seat of Forde will be awarded to Colin Nelson. I will briefly speak about Colin’s work. He worked on a voluntary basis for many years, particularly in the area of community banking—providing and helping people in the area of finance. He established three community banks in the Logan and adjacent areas. He has also been responsible for organising large events such as Logan’s Big Day Out, which is an event for people of Logan who have disabilities, and Logan’s Little Heroes, which is an event for young people in Logan who have a terminal illness. I take this opportunity to congratulate Colin, who will be awarded Queenslander of the Year in the seat of Forde.

Budget

McPherson Electorate: Solar Green

Mrs MAY (McPherson) (9.36 am)—I believe the Rudd government has failed to deliver on its commitment to the environment. Its decision to means-test the solar panel rebate, at $100,000 per household, makes no sense at all. Mr Rudd said:

We need to boost renewable energies in general. Solar is the most greenhouse friendly energy available on the planet. Therefore, we need to take some practical steps to make it possible for as many families as possible to invest in this.
I wonder if Mr Rudd truly believes his own rhetoric. Imposing a means test on solar panels has made a real impact on small businesses, jobs and the environment. Even the Minister for Climate Change and Water, Penny Wong, has conceded that there was absolutely no consultation with the solar industry before the introduction of this damaging means test.

Solar Green is a local Gold Coast company that has had five orders cancelled since the Rudd government announced in the budget that they will impose this means test on the solar panel rebate, which cuts off at $100,000 per household. Solar Green alone estimates a loss of revenue of $100,000 from cancelled orders. One of the cancelled orders was from a gentleman who earns $106,000 per year and could not be persuaded to do his bit to reduce greenhouse gas emissions without the government rebate.

The former coalition government—and I am pleased to say that the former Minister for the Environment and Water Resources, Mr Turnbull, is here in the chamber this morning—made a commitment to a whole-of-society approach to the environment. It looked at solar panels, which cost between $15,000 and $20,000, being placed on the roof of an average home and believed it was necessary to put in place an $8,000 rebate to encourage people to do just that. It was not a welfare measure; it was an environmental measure. The rebate saw a dramatic increase in the uptake of solar panels, following the implementation of the measure after the last budget.

Solar Green has been operating since July 2007 under the stewardship of Bruce Mitchell, who is very environmentally friendly and has built an entire precinct for business based on good environmental practice. Solar Green was receiving a great response to the rebate, and it was his and his company’s way of doing their bit to protect our environment and use renewable energy sources for the future. With this new means testing, Bruce estimates between 50 and 60 per cent of the market has now been cut out. With the rebate, that pay-back period for the system now is that much longer and the expense is that much greater for individuals and their homes. I say to the Rudd government: your credentials as being environmentally aware are certainly in question.

Franklin Electorate: Kingborough Lions United Soccer Club

Ms COLLINS (Franklin) (9.39 am)—I would like to talk about a soccer club in my electorate that is going to benefit from this year’s federal budget. It is in the Kingborough municipality, which is one of the fastest growing council areas in Tasmania. It is no surprise that the district has a number of diverse sporting clubs and groups—one of these is the Kingborough Lions United Soccer Club, which now enjoys support from all tiers of government. The club is based at Lightwood Park on land provided by the local council. It is near the site of the soon-to-be-built Kingston High School. In 1998 two groups merged to form this club: Kingborough United and one of the longest serving clubs in the Tasmanian state soccer league, the Caledonian Soccer Club.

For a local soccer club, the Kingborough Lions United Soccer Club has a mighty impressive membership level. Each season the club fields around 45 teams, ranging from the under-sixes to the men’s and women’s premier leagues. In addition to a large number of social members, the club also boasts over 600 registered members, and the club’s performance speaks for itself. The Kingborough Lions United Soccer Club’s men’s premier league finished second in both 2005 and 2006 and several club members are also regularly chosen to compete in teams at various levels of the competition.
During the federal election campaign, Labor pledged $10,000 to improve the soccer club's training facilities. This was part of a $65,000 announcement which included $35,000 for the Huon Valley Council to build a gymnasium at Cygnet, $10,000 for two cricket nets at Rokeby Cricket Club and $10,000 to purchase equipment for ladies resistance training classes at the Port Huon Sports Centre. These government sport and recreation grants will provide funding to improve sporting facilities and infrastructure in my electorate. This funding is part of the Rudd government’s commitment to grassroots sports.

At Kingborough the money will go towards lighting and drainage for the club’s new training ground. Last weekend it was my pleasure to accompany my colleague the Minister for Health and Ageing, the member for Gellibrand, on a tour of the local soccer club, and we met some of the young players. We did not use our skills on the field but we did have the tour, which was hosted by the club’s president, Mr Brian Dale. It gave us the opportunity to see firsthand where this federal funding will be going. Both the minister and I were also the proud recipients of Kingborough Lions spray jackets bearing the soccer club’s logo.

I am really thrilled that federal Labor has been able to support this local success story. The Kingborough Lions United Soccer Club does worthwhile work in the community promoting an active and healthy lifestyle for its 600-odd members. The club’s strong focus on young players is commendable and it goes a long way towards meeting the challenges of ensuring local children are given the opportunity to keep active and participate in team sports. It is always rewarding to see the local council, the state government and the federal government support such deserving initiatives. (Time expired)

Ms Cheryl Bart
Ms Nikki Bart

Mr Turnbull (Wentworth) (9.42 am)—On 24 May Cheryl and Nikki Bart, lifelong residents of my electorate of Wentworth, were the first mother and daughter team in the world to climb to the top of Mount Everest—and not just Everest. Since 2001 they have together scaled the highest peaks on each of the earth’s continents—all seven summits: Everest in Asia, Elbrus in Europe, McKinley in North America, Aconcagua in South America, Kilimanjaro in Africa and Vinson Massif in Antarctica, and beginning with Kosciuszko in Australia. They are both graduates of Moriah College and their addiction to altitude was forged two decades ago when they visited Israel. While other family members took the cable car to the summit of Masada, Cheryl and Nikki, who was then five years old, climbed to the top.

The Barts are active members of the Wentworth community, involved in a range of charities and community service. Nikki is a medical student at the University of New South Wales and the immediate past co-chair of the Medical Students Aid Project, which donates medical equipment and pharmaceuticals to Third World hospitals. Cheryl is an accomplished businesswoman and company director serving on important boards both in the private and not-for-profit sectors. She is also an ambassador of the Australian chapter of the Peres Centre for Peace, which works on practical measures to bring together Palestinians and Israelis in the cause of peace and reconciliation.

Cheryl and Nikki, you have set a very high bar indeed for parent-child bonding adventures, one that daunts all the other parents who have observed your achievement. But I am sure that
the seven summits you have climbed together are only a foretaste of the heights that you will scale and that you will inspire others to scale in the years ahead. Mazel Tov, Cheryl and Nikki.

Deakin Electorate: Blackburn Bowls Club

Mr SYMON (Deakin) (9.44 am)—I draw the House’s attention to an extremely exciting water-saving project that was launched recently for Blackburn Bowls Club, in my electorate of Deakin. The Blackburn Bowls Club have been operating their greens at Packenham Street in Blackburn for 40 years and they have seized the water-saving initiative at the local level and developed a water-saving model that truly leads by example. They have designed a bold water-saving model that not only aims to slash mains water use for its greens but has a long-term aim towards not using mains water at all. It is a plan that showcases what is possible in water-saving ideas at the local level and reflects the Rudd government’s belief that water saving begins in our own communities.

The entire Blackburn bowls community of 300-plus members has come together to get behind this project, with members generating $60,000 and project partners offering $40,000 of in-kind support. Mention must also be made of the efforts that have gone into fundraising and generating this financial support to get the project off the ground. Another $170,000 has come from the Smart Water Fund, which is a joint initiative between the Victorian government and Melbourne’s water companies to support small projects like this. I congratulate all involved, because this is as much a great example of community spirit as it is a triumph for smart water saving.

Importantly, Blackburn Bowls Club’s plan strives to implement permanent water-saving infrastructure, including an innovative subsurface Californian irrigation system, stormwater capture and underground storage. This allows the use of C-class water for irrigation of the turf, as the water is delivered to the root system of the grass rather than being sprayed over the top. They are also making the switch to an extremely drought resistant tifdwarf couch grass that will consolidate all of their water-saving plans and boost the playing capacity of their greens.

It is also a very well researched plan. They have drawn from experts in the field and conducted an intensive audit of their water consumption behaviour. They have identified places where water savings can be made. They have thought things through, dotted every i and crossed every t. They have even analysed average annual rainfall levels and the types of water-harvesting surfaces at their disposal, to develop a profile of rainwater resources and get a realistic sense of what they can achieve. From the 700 square metres of roof area and 3,500 square metres of grass and synthetic areas, the club estimates that 870,000 litres of run-off water can be collected each year. The water they do not need will be offered to other local users for use in the municipality in an act of real generosity and common concern. This project is a terrific mix of clever thinking, hard work, water saving and community spirit. I think it is a shining example of what can be achieved at a local level in water savings.

Blackburn Bowls Club also offer their facility for shared use to school, community and sporting groups, which use the club meeting rooms from time to time. The club also runs a very popular ‘night owls’ bowls program for nonmembers during summer evenings, and this has proven extremely popular with many locals, especially the younger generation. (Time expired)
Mr HAWKER (Wannon) (9.47 am)—I want to again highlight the ridiculous tax that is being applied to ready-to-drink alcohol and the way that the government has tried to hide it under its concern for health problems. Frankly, if we are going to deal with the problems of binge drinking—and I believe we certainly should, and I am sure all members would agree with that—this is not the way to go. It is very clear that this is all about a straight-out tax grab, and this has been confirmed in the estimates hearings, where it has been said quite clearly that Treasury did not consult with the health department before the imposition of this $3.1 billion tax hike. In fact, it has been made very clear that Treasury consulted only with the tax office and the Customs office—the tax office to work out how much money to raise and Customs to work out how to actually do it.

It is most unfortunate that, when we should be attacking the problems of binge drinking, the government have tried to slide out of the way and just say, ‘We’re going to grab the money.’ It has obviously not been thought through properly. It is all about raising tax. The fact that the health department was not even consulted shows how short sighted this is. It has already become aware that the budget papers themselves assume there will be an increase in the consumption of alcohol. That is hardly a health measure. Worse than that, of course, is that we have already seen in the early figures a 20 per cent increase in the sale of spirits. Again, that is hardly what one would have thought was the right way to go about attacking this issue. We should be looking at some of the practical things that could be done.

I would like to give an example of what has happened in Warrnambool in my electorate. A trial was started, with the nightclubs limiting access to high alcohol content drinks after one o’clock. This trial was so successful that, after eight weeks, it has now been adopted as a permanent measure. The thrust of it is to try and restrict access to high-alcohol drinks late at night. As well as that, the trial included restricting people going into nightclubs after 1.30. There will be no access, which is quite interesting to contrast with the problems that Melbourne has been facing recently where there has been a suggestion that people should not be allowed to go in after two o’clock. If we are serious about attacking some of the problems of binge drinking then we should look at these sorts of practical measures, which really are the way to get people off this dangerous path. To just put a tax onto one particular part of the alcohol market is nothing more than a tax grab. It is a very shallow and a very phoney way of attacking what is a serious health problem.

Mr HAYES (Werriwa) (9.50 am)—Long before the Wests Tigers or even the Western Suburbs Magpies set foot on the field at Campbelltown Sports Stadium, it was known as Orana Park and the home of the Campbelltown City Kangaroos Junior Rugby League Football Club. Recently I had the opportunity to attend the 100-year celebration of the Campbelltown City Kangaroos Junior Rugby League Football Club, which was proudly held at Wests Leagues Club in Leumeah.

Football was played prior to 1908, but it was played as rugby union. In 1908 the Campbelltown City Kangaroos Junior Rugby League Football Club was established. It has had a very long and proud history in our district. Over the years it has achieved outstanding results. It was part of what was known as the golden age of rugby league. From 1969 to 1983 the Kangaroos reigned supreme as the premier sporting club in our region. They gave their vast army...
of loyal supporters a sense of pride as they marvelled at the on-field achievements of the Kangaroos. They have left many special and cherished memories in our district that will continue forever.

The Kangaroos’ spirit has always involved camaraderie, fair play, a sense of fun and the thrill of the challenge of the competition of rugby league. Our region has produced many fine sporting achievements. The champions produced by the Campbelltown City Kangaroos Junior Rugby League Football Club have been a significant part of all this, with many players being selected over the years to play representative football for New South Wales and Australia and with other players continuing in their chosen sport as sports trainers, coaches and managers. This year the Campbelltown City Kangaroos Junior Rugby League Football Club has 11 teams, ranging from under-sixes to under-15s, and it truly is of one of the community based sports clubs in our district.

I would like to thank everyone who has been associated with this club: officials, supporters, sponsors and in particular people such as the late John Marsden and Mike Semchyshyn, who have held the important positions of president and secretary respectively. Mike has continued his involvement as the deputy chair of Wests in Campbelltown. I also mention club stalwarts like Poppa Evans, who at age 90 is one of the oldest members of the club but still turns up to watch the kids go around. Col Rose and Tony Norton, who are life members of the club, are both retired fellas who played for the club and continue as coach and manager. They still turn up on a weekly basis to produce junior sport for the kids of our region. I had the opportunity to present both those gentlemen with Australian sports achievements awards only recently, for their dedication and commitment to junior rugby league in our district. All those who have contributed over the years to make this club such a wonderful sporting facility within our district should be commended. (Time expired)

Fuel Prices

Mrs MARKUS (Greenway) (9.53 am)—I rise today to raise my concerns over the Rudd government’s lack of action on fuel prices. The Prime Minister and the Labor Party went to the last election telling people they would do something about the rising cost of fuel, the rising cost of groceries and the rising cost of living. What have they done? They have paid a whole lot of lip-service. We have a grocery inquiry and a petrol commissioner. We have seen the Labor government roll over while the big banks put up interest rates independently of the Reserve Bank’s advice.

When the Australian public voted for the Labor Party, they voted for them because they trusted them to do what they said they would do and make it easier for working families. Labor have done the opposite. They have done nothing about one of the key election commitments: petrol prices. While residents in my electorate go to their local petrol station because they know it can be cheaper than the next, the proposal put forward by the Labor Party will stop competition by locking in prices for 24 hours by introducing Fuelwatch. We have a government that refuse to listen to their own departments—not just one department’s recommendations but four. We also have two government ministers against the scheme. Why do they argue against it? Because they know this scheme will make consumers worse off. Residents in my electorate of Greenway take advantage of what is well known as ‘cheap Tuesday’. The government will argue the point that some people have to fill up twice, but the point is this:
people have a choice. Even the previous Labor candidate for Greenway wrote to the paper this week, saying:

... when will our politicians stop playing around the edges and face the fact we are in crisis ...

He went on to say:

Yet politicians seem hell bent on political populist responses—

And wait for it, Madam Deputy Speaker—

And watch petrol prices there (courtesy of Mr Rudd).

He continues:

For goodness sake, let’s get real. Is this the best we can do?

We on this side of the House ask the government the same question: what are you doing to ease the pressure for Australians, besides providing lip service? The former Labor candidate writes, and this is the best part:

We need all sides of government and all tiers of politics to stop the populist approaches, roll up their sleeves and confront the real challenge.

Here we have a former Labor candidate questioning the job of his own party’s government. And so are the rest of us. In my electorate of Greenway, as in many electorates in Western Sydney, people work close to the city. These people often have to travel to the city on major arterials and incur a toll. That is $102.20 per week in tolls, which, based on average weekly earnings, equals 11 per cent of their net pay. Last week people filled up a 70-litre tank on cheap Tuesday at a cost of $105.45, which equals nearly 12 per cent of their net pay based on average weekly earnings. This means that a resident in my electorate is paying $207.65 for petrol and tolls, or 23 per cent of their take-home pay each week just to get to and from work.

The coalition has put forward proposals to help ease the pressure, and now I call on the Rudd Labor government to get serious about helping Australians and do more.

**Education**

Mr CHEESEMAN (Corangamite) (9.56 am)—I rise today to reflect on some of the Rudd Labor government’s achievements in the first six months in implementing a number of education policies that underpin Labor’s philosophies. First, we have committed through the course of last year to implementing skills training centres, and this is a very significant and important step in addressing some of the poor public policy decision making that has taken place over the last 10 years.

I was one of those fortunate students who had the opportunity to go to a technical school and, through that experience, I was successful in picking up some quite practical skills. Then, rather than going into a trade at that point in time, I chose to go to university. During that period of time a very unfortunate initiative of the previous government was introduced into universities, and that was that selection based on merit was no longer the only basis by which people could enter university. People were able to buy their way into university through full-fee paying places, and I think that certainly disadvantaged working families who put a lot of time and effort into trying to get themselves educated.

On top of that, a very significant piece of policy has been put in place by the Deputy Prime Minister, and that is to recognise that we have not been training our mathematicians and scientists of the future. The bill that was introduced into the House earlier this week—or it might
have been the previous sitting—gives students who wish to pursue maths and science at university the opportunity to have a reduced HECS debt. I think this is a very significant piece of reform and certainly will allow us to train our mathematicians and scientists into the future. These are both very important university qualifications to help our industry innovate and evolve, particularly in areas like the broader Geelong community.

The DEPUTY SPEAKER (Ms AE Burke)—Order! In accordance with standing order 193 the time for members’ statements has concluded.

APPROPRIATION BILL (No. 1) 2008-2009
Consideration in Detail

The DEPUTY SPEAKER (Ms AE Burke)—In accordance with standing order 149 the committee will first consider the schedule of the bill.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (10.00 am)—May I suggest that it might suit the convenience of the Main Committee to consider the items of proposed expenditure in the order shown in the schedule which has been circulated to honourable members. I also take the opportunity to indicate to the Main Committee that the proposed order for consideration of portfolios’ estimates has been discussed with the opposition and other non-government members, and there has been no objection to what is proposed.

The schedule read as follows—

Education, Employment and Workplace Relations Portfolio
Families, Housing, Community Services and Indigenous Affairs Portfolio
The Environment, Water, Heritage and the Arts Portfolio
Health and Ageing Portfolio
Defence Portfolio
Defence Portfolio (Veterans’ Affairs)
Foreign Affairs and Trade Portfolio (Foreign Affairs)
Foreign Affairs and Trade Portfolio (Trade)
Trade Portfolio
Resources, Energy and Tourism Portfolio
Infrastructure, Transport, Regional Development and Local Government Portfolio
Broadband, Communications and the Digital Economy Portfolio
Agriculture, Fisheries and Forestry Portfolio
Human Services Portfolio
Immigration and Citizenship Portfolio
Attorney General’s Portfolio
Innovation, Industry, Science and Research Portfolio
Finance and Deregulation Portfolio
The Treasury Portfolio
The Prime Minister and Cabinet Portfolio
The DEPUTY SPEAKER—Is it the wish of the Main Committee to consider the items of proposed expenditure in the order suggested by the minister? There being no objection, it is so ordered.

Education, Employment and Workplace Relations Portfolio

Proposed expenditure, $6,831,870,000

Ms JULIE BISHOP (Curtin) (10.01 am)—This budget, the first Rudd-Swan budget, came as a shock to a great many Australians, not least because of the tax increases but also because of the unemployment forecast in this budget. We have certainly not seen unemployment forecast in a budget for many years. My focus this morning is on why Treasury forecasts of a significant worsening in employment growth and unemployment are not reflected in the department’s plan for 2008-09. Specifically, the budget’s labour market forecasts show unemployment growth halving from 2.5 per cent to 1.25 per cent in 2008-09 and unemployment increasing from four per cent to 4.75 per cent by June 2009 and show that the halving of employment growth will result in 134,000 jobs being lost or not created within the next 12 months.

Funding for the Newstart allowance increases by over $800 million in these papers for 2008-09, so my questions to the minister are as follows. Does the minister stand by the forecast of the employment growth halving and unemployment increasing in the budget? Are these forecasts likely? Assuming so, why has the funding for Job Network been reduced? Why does the department’s brochure on the future of employment services in Australia say that Job Network is ‘no longer suited to a labour market characterised by lower unemployment’ when in fact Treasury is forecasting unemployment to rise? Does the minister agree that many, perhaps most, of the people who will lose their jobs or be affected by reduced jobs growth will have work skills and experience by virtue of the fact that they are currently in employment? Why, then, has the government signalled its intention to shift resources away from the people most likely to be affected by the worsening labour market? This intention is clear from the budget papers, which indicate that significant increases in expenditure on other programs are estimated to achieve worse results than in 2007-08. In particular, employment assistance has a 17 per cent increase in its budget, resulting in a nine per cent to 10 per cent reduction in the use of the Disability Employment Network and other disability services. Rehabilitation services have an 18 per cent increase in their budget, resulting in a 12.5 per cent reduction in commencements. Why is the government proceeding with its planned changes in these programs when they increase costs and make things worse?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (10.04 am)—I thank the Deputy Leader of the Opposition for her questions. The budget does contain forecasts of macroeconomic conditions. Of course, that happens with every budget, and this budget contains such forecasts. In relation to the forecasts in this budget, we say that the government inherited a high-inflation environment from the previous government. The upwards pressure on inflation has led to upwards pressure on interest rates. The track record of the previous government was to see interest rates rise time after time after time. We inherited the worst inflation rate in 16 years. When you inherit macroeconomic conditions like that, they have implications for the economy overall, and the budget tracks those implications. What the Deputy Leader of the Opposition is pointing to is the way in which the Howard government failed in terms of managing
the macroeconomy, because we inherited from it a high-inflation environment and one which puts upwards pressure on interest rates.

What does the budget do to deal with those matters? Of course, the budget has been calibrated to be part of the government’s fight against inflation. In making that calibration to fight inflation, the government has delivered an economically responsible budget, where new expenditure items are matched by savings. As people would be aware from the debate that is conducted in the main chamber of the House of Representatives and in other places, this stands in stark contrast to the track record of failure of the Howard government in not pursuing budget savings in past budgets. In addition, to make sure this budget is a prudent and fiscally responsible budget, the government has calibrated this budget to put downwards pressure on inflation and interest rates by addressing a number of the supply-side constraints in the economy. In particular, the budget makes new and major investments into education and training, including major investments in skills formation, with 630,000 training places to be delivered by the government over the next five years.

Beyond that, the budget also deals with constraints in the economy in the form of infrastructure constraints. The Deputy Leader of the Opposition would note that the budget has led to the creation of the new Building Australia Fund, which is a substantial fund to enable the government, in partnership with the private sector and stakeholders, to address the infrastructure bottlenecks around the nation. All of these things working together are about putting downwards pressure on inflation and interest rates. That is obviously good for the economy and good for all settings in the macroeconomy and is a course that the government intends to pursue.

On the question of the new employment services model, the government has been consulting and intends to deliver a new employment services model with the Job Network tender round. Job Network is coming up for re-tendering, with the new round to commence on 1 July 2009. Given what a big project the Job Network re-tender round is, the government has already started the task of preparing for that re-tender round. There has been a consultative process, led by my ministerial colleague Brendan O’Connor.

The emphasis of the new employment services model is to provide more assistance to the most disadvantaged job seekers. As people would see from the budget papers, unemployment by historic standards in this country will continue to be at relatively low rates. We believe in investing employment services money in people who are most disadvantaged. The new employment services model has been designed to do that. It has also been designed to reduce the contractual red tape and funds that are wasted in the current complex model that is available for the Job Network. The new model is a streamlined model, with a focus on assistance for most disadvantaged job seekers. Of course, we do not want to see people locked out of the labour market and we do not want to see children grow up in jobless households. With our new employment services model, we believe that focus on the most disadvantaged will make a difference. (Time expired)

Ms HALL (Shortland) (10.09 am)—Thank you, Madam Deputy Speaker—

Mr Anthony Smith interjecting—

The DEPUTY SPEAKER (Ms AE Burke)—I remind people that you need to jump. I would have given the call to the other side.
Mr Anthony Smith—We were operating on last year’s convention.

Ms HALL—Last year’s convention was that whoever jumped got the call.

Mr Anthony Smith—that is not right.

The DEPUTY SPEAKER—the member for Casey does not have the call. There is no convention. There are no standing orders. I do not have anything. I have never been given anything. All I know is that whoever is first on their feet gets the call. I would have given it to the other side but nobody was on their feet. I will give it to the member for Shortland, but then I will go to the other side because I do not necessarily have to give it back to the minister.

Ms HALL—Thank you very much, Madam Deputy Speaker. The issue I would like to raise with the minister relates to the Australian technical colleges. I would like to get an assurance from the minister that the situation that existed in the Hunter will not be allowed to exist under her watch. It was a situation where an Australian technical college was brought into operation before the program was ready to go.

I will share with the House what happened in the Hunter. Students were enrolled in the Australian technical college and, whilst they were enrolled and the places were there, there were no tools for them to use, no benches for them to operate on and no work experience available for them. This caused enormous stress for the parents. I had a number of parents come to see me because their children—their young adults—had left school and enrolled in the Australian technical college. On the advice of the previous government, they were led to believe that their sons in these cases, by enrolling in the technical college, would have a better chance of getting employment and that it would lead into an apprenticeship and a worthwhile career.

What actually happened? The parents visited the industries in the area and managed to scrape together some donations of tools. Rather than the government buying the tools and having them in place before the students started, the parents had to find the tools. The second aspect was the benches they had to work on. Believe it or not, the parents had to go into the Australian technical college in the Hunter and build the benches so that their sons could undertake the training in the college, which was established before it had the tools or the benches it needed.

It does not stop there. These young boys were promised that they would get work experience, but no work experience was organised. No employers signed on to offer the work experience that these young boys expected. On the days that they were supposed to do work experience, they had to go home. They sat at home and watched TV or, if it was a good day—Shortland being the electorate it is—they were able to go to the beach. They could go surfing but, whilst that is a pleasurable activity, it did absolutely nothing—

Mr Abbott—Madam Deputy Speaker, I rise on a point of order. The member for Shortland is wasting our time raving on about people going surfing. If she has a question to ask the minister, she should ask it.

The DEPUTY SPEAKER—I ask the member for Shortland to come to her question.

Ms HALL—My question relates to the issue that I have already raised. Will the minister give an assurance to the House that under her watch (1) students will not be enrolled in programs like the Australian technical college that was established in the Hunter where (a) there

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were no tools for the students to use, (b) there were no benches for them to work on—no workbenches—and (c) there was no work experience organised for them; and (2) parents will not be expected to do the job of government and build the benches and find the tools?

Mr ANTHONY SMITH (Casey) (10.15 am)—I have one question to the minister flowing from her response to the previous set of questions where the minister referred to inflation a number of times as one of the government’s central tasks. I was hoping the minister could outline and reaffirm to the House the government’s inflation forecasts and projections for the next four years.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (10.15 am)—Just on the question of conventions in the consideration in detail of budget estimates, I would remind members present in the Main Committee, just in case they have forgotten, that one of the conventions of the previous government was to send parliamentary secretaries to this part of the parliamentary program. I certainly recall that happening year after year when I was shadow minister for health. Obviously, the convention has changed, with me appearing on my own behalf as the responsible minister in the chamber today. The minister for health may like to speak about how the parliamentary secretary for health was sent routinely to deal with the consideration in detail of the budget estimates for health, one of the biggest government areas of expenditure.

Moving on from a discussion of the conventions of how this is dealt with, I turn firstly to the contribution by the member for Shortland. I am distressed to hear that people in her electorate were so shabbily treated by the former Howard government, and I can certainly understand the distress of parents who have seen their child disengage from school in the hope that they were going to get a better opportunity only to find that that opportunity, as promoted by the previous government, was not real. Obviously, training requires access to tools and equipment; work experience needs to be real, and that requires partnerships with local employers. In that regard, this government is determined to do better. We believe that the Howard government engaged in more than a decade of neglect when it came to skills formation. This was in fact dealt with very revealingly by the member for Goldstein when he indicated that the Howard government was well aware that a skills crisis was coming, waited for it to hit with full force and did not make appropriate investments in skills formation.

The approach of this government is going to be very different. As the budget papers reflect, we have determined that we will invest $2.5 billion in trades training centres in secondary schools. They will be facilities which do have the necessary equipment—benches, if that is appropriate for the training; kitchens, if that is appropriate for the training; computer equipment, if that is appropriate for the training—for students to use and learn on.

In relation to vocational education and training more generally, the government have created the $11 billion Education Investment Fund and have specifically given the vocational education and training sector access to that fund. We believe that there is a need for major capital investment and renewal in the sector if it is going to be in shape to meet the skills needs of the 21st century.

Mr Anthony Smith—Madam Deputy Speaker, I rise on a point of order. The minister has been speaking for 3½ minutes and has not managed to inform the Main Committee what the inflation forecasts are that she says are so important. She has just over a minute to go—
The DEPUTY SPEAKER (Ms AE Burke)—The member for Casey will resume his seat. Can I just reiterate that the standing orders on question time will not apply during this debate.

Ms GILLARD—I was of course dealing with questions from the member for Shortland, which were the questions first presented to the Main Committee because the opposition neglected to jump to get the call, which is really a matter for it. The government will be investing through the Education Investment Fund in renewal of capital and equipment in the vocational education and training sector. That comes on top of our recurrent investments to create 630,000 new training places.

In relation to the question asked by the member for Casey, I direct his attention to Budget Paper No. 1. Budget Paper No. 1 is the one in which the macroeconomic forecasts of the government are contained. He may learn from reading that that what the budget papers reflect throughout and what the Treasurer’s statement in presenting the budget reflects is that we have a high-inflation environment. I do not know if the opposition is still in denial about that. (Time expired)

The DEPUTY SPEAKER—I call the member for Bass.

Opposition members interjecting—

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

Ms CAMPBELL (Bass) (10.20 am)—I rise today to add my voice to those who have spoken in support—

Mr Abbott—Madam Deputy Speaker, you are not treating this Main Committee with the spirit of—

The DEPUTY SPEAKER—The member for Warringah will resume his seat. I have given a call a side. I am giving the member for Bass the call. We are actually back to where we should be.

Ms CAMPBELL—I rise today to add my voice to those who have spoken in support of the Higher Education Support Amendment (2008 Budget Measures) Bill 2008. Labor promised the Australian people an education revolution, and that is exactly what this legislation sets about delivering. My electorate of Bass is one in which the University of Tasmania plays an integral role—and, Minister Gillard, I thank you for your continued support. It is a place not only of higher learning but also of employment. It is at the heart of many cultural aspects of northern Tasmania. I am pleased also to say that it is one of 38 institutions specifically targeted to receive increased funding throughout the implementation of this legislation.

The Rudd government has allocated $500 million through the Better Universities Renewal Fund—a fund in which the University of Tasmania will share. Together with the Rudd government’s Education Investment Fund, it is reshaping education in this country. It is yet another example of this government following through on the commitments it made to the community before the last election. The incentives which are being introduced to encourage the study of maths and science and early childhood education—

Ms Julie Bishop—Madam Deputy Speaker, I rise on a point of order. This was meant to be open, transparent government, where the minister would come and answer questions. We were not expecting to have a self-serving statement from members of the government—

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The DEPUTY SPEAKER—The Deputy Leader of the Opposition will resume her seat. I do remind you that I have the opportunity to put you out of the Main Committee. There is actually a standing order to provide for that, and I would like to be the first to use it. The member for Bass will get to her question, please.

Ms CAMPBELL—These incentives respond to a real and pressing need not only across my electorate in northern Tasmania but also across the country.

Dr Southcott—Madam Deputy Speaker, she is defying the chair.

The DEPUTY SPEAKER—The member for Bass will get to the question.

Ms CAMPBELL—As a government, we are committed to addressing the skills shortages in critical areas—

The DEPUTY SPEAKER—The member for Bass needs to propose a question.

Dr Southcott—Ask a question.

Ms CAMPBELL—I will ask a question. Why should a prospective student who can pay full fees be given preference over another? Minister, I am sure you will have something to say about that in a moment. Why should university places be awarded based on finances rather than merit? And I am sure, Minister, you will have something to say about that in a moment. I believe, and this government believes, that that should not be the case. The higher education support amendment bill does away with that culture that discriminates, and provides the means through which universities can offer positions to non-full-fee paying students and not lose. In my home state of Tasmania, the changes brought forward by this bill are particularly welcome, Minister. The incentives offered to encourage study in specific areas will assist would-be university students to offset the costs. Can I, Madam Deputy Speaker, talk about an incident where we certainly worked—

Dr Southcott interjecting—

The DEPUTY SPEAKER—The member for Boothby does not have the call. Member for Bass, have you concluded?

Ms CAMPBELL—No, I have not.

The DEPUTY SPEAKER—Member for Bass, if you have an additional question, please ask one.

Mr Schultz interjecting—

The DEPUTY SPEAKER—The member for Hume will resume his seat. The member for Bass will conclude with a question, please.

Ms CAMPBELL—I certainly want to bring to the attention of the minister—though she may be aware of this—that the University of Tasmania’s Vice-Chancellor, Professor Daryl Le Grew, and I had some discussions about how best we could work with the people who lost their jobs through the Telstra call centre. Within days, Professor Le Grew came back to me with a proposal to offer these Telstra workers the opportunity to further their education with the assistance of HECS-waiver scholarships. That is what we are doing down in our electorate of Bass. (Time expired)

Mr ABBOTT (Warringah) (10.25 am)—I just have two quick questions for the Deputy Prime Minister. The first question is: how many people will not receive the childcare benefit
as a result of the budget means test changes? The second question is: is the government considering a system of price control for the childcare sector similar to the one that is in place for private health insurance?

The DEPUTY SPEAKER (Ms AE Burke)—Were there any additional questions?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (10.25 am)—I was trying to assist the opposition by stacking a few questions up and answering all of them in a five-minute lot, but we will do it this way if that suits the convenience of the opposition more generally. I was trying to assist. Obviously every member of this parliament has an equal right to pose questions in the consideration in detail of the budget, so I will turn to the questions from the member for Bass first.

On the questions asked by the member for Bass, she is absolutely right. In this budget we have delivered on the government’s promise to phase out full-fee-paying places for Australian students. The government did that because we believe simply that it is wrong that Australian students should be judged for entry to higher education on the basis of their capacity to pay. That was a system of the former government, where it put capacity to pay before merit. We believe Australian students who want to go to university and take up undergraduate places should be assessed on the basis of merit. We think that that is the Australian way, and the budget papers deliver on that and deliver on the phase-out of full-fee-paying places for domestic students.

On the second question that the member for Bass raised, I am pleased to note that she was able to work with the Vice-Chancellor of the University of Tasmania, Daryl Le Grew. I have had the opportunity of meeting him and I am glad to hear that there were options available for people who worked in Telstra call centres. I know that has been a substantial issue in the member’s electorate. Obviously we are very concerned, and part of the policy settings that drive the budget is to ensure that there are opportunities for training and retraining throughout life.

On the questions raised by the member for Warringah in relation to CCB, I will take him to some of the details in the budget papers. He is right; we have introduced an income cut-off point for CCB, the childcare benefit. Prior to the introduction of this income cut-off point for CCB, which is an income-dependent payment—it is assessed in relation to income; the higher you earn, the less you get—it hit a minimum level. At higher income rates it hit the minimum level and continued. The minimum level was, indeed, a very minimum level. We believe, as a matter of fairness, that it would be better if the taper that is in place continued so that CCB actually becomes zero at high income levels. The levels that we are talking about for a family with one child in approved care is $126,000; for two children in approved care it is $131,000; and for three children in approved care it is $148,000. That is where the taper hits the zero rate.

I think there was some misunderstanding about this in the early days beyond the delivery of the budget. I know the member for Warringah was concerned about this. There was some confusion that, if you were beyond the taper and you had zero CCB, you would no longer be eligible for the child care tax rebate. I cannot quite remember whether the member asked about that in question time but I know that he did raise it publicly and was concerned about it. I am very keen to clarify that we are restructing, so people are deemed, even when they have a CCB rate of zero, to still effectively be CCB eligible so that they trigger their eligibility for
CCTR. So it is not true to say that, if you are no longer in receipt of CCB, you are ineligible for CCTR. You can be at a high-income level and not be eligible for CCB but still be eligible to get CCTR. What that means, if you model it across all income ranges, is that everybody is in advance of their position pre budget. Everybody will get more assistance for their childcare costs than they did under the former arrangements, which I think is a great result for working families.

Mr ABBOTT (Warringah) (10.30 am)—I take the point that the Deputy Prime Minister has made, but I think she misunderstood my question. If you are in approved care you get the childcare benefit and the childcare rebate, but if you are in registered care you only get the childcare benefit. There are some people who are in registered care and who are getting the benefit currently at the minimum rate, which could be up to about $25 a week per child, but who will no longer get anything as a result of the means tests that the government put in place in the budget. I am asking the minister how many people are in that position.

Mr ZAPPIA (Makin) (10.31 am)—I refer the minister to her announcement that Professor Denise Bradley has been appointed to head an Australian higher education review. I might say I have known Professor Denise Bradley for several years and find her to be an excellent choice by the minister because of her commitment to education. My question relates to a comment made in the publication Dialogue by Simon Marginson, Professor of Higher Education at the University of Melbourne’s Centre for the Study of Higher Education. He says:

Between 1997 and 2004 the immediate throughput of students from the final year of school to the next year in first year higher education dropped from 40 to 31 per cent.

He goes on to say:

The outcome of successive fiscal decisions under Howard was a sharp deterioration in the public funding level and in the teaching and research capacities of Australian higher education relative to most OECD nations and to the emerging Asian research and development (R&D) economies of China, Taiwan and Singapore. In the 1970s and 1980s Australia funded tertiary education at above the average OECD level of public investment as a proportion of GDP. In 2004 Australia spent 0.8 per cent of GDP in public investment in tertiary education compared to an OECD (and USA) average of 1.0 per cent. On this measure, Australia was 25th of the 29 OECD countries for which data are available.

My question is: when is Professor Denise Bradley’s inquiry likely to be completed and will the matters I have referred to be addressed in that inquiry?

Ms JULIE BISHOP (Curtin) (10.33 am)—Given that the minister has her lackeys up here asking questions to fill up time—

The DEPUTY SPEAKER (Ms AE Burke)—Deputy Leader of the Opposition!

Ms JULIE BISHOP—given the budget forecast of 134,000—

The DEPUTY SPEAKER—Deputy Leader of the Opposition, you will withdraw that remark—

Ms JULIE BISHOP—I withdraw.

The DEPUTY SPEAKER—because I think it is inappropriate, as you have been saying, to tackle the Public Service in that way.

Ms Hall interjecting—
The DEPUTY SPEAKER—The member for Shortland will resume her seat. The Deputy Leader of the Opposition has the call.

Ms JULIE BISHOP—Madam Deputy Speaker, I made no reference to the Public Service. Given the budget forecast of 134,000 job losses, will the minister confirm that she has not commissioned or received any concerted economic analysis or modelling at all on the likely impact of the government’s workplace relations policy on unemployment, labour productivity, real wages, income distribution, economic growth, inflation or interest rates? Will the minister in fact direct her department, in conjunction with Treasury, to prepare a report on the economic impacts of the government’s workplace relations policies, including the eight specific economic outcomes I have already listed?

Further, I refer the minister to Budget Paper No. 2, which states that the government has allocated $13.3 million over four years to lodge collective agreements. Is it the intention of the Labor government to return to the lodgement of collective agreements via the Australian Industrial Registry?

I also refer to the significant cut in funding for the Workplace Authority of some $30 million for 2007-08. Given this significant cut, which results in a lack of education, advice and assistance for business about agreement making under the government’s system and a subsequent downturn in agreement making for all types of agreements, and given the fact that there is a substantial body of evidence—often referred to by the minister’s own department—that highlights the benefits to the economy of agreement making, can the minister explain how Forward with Fairness is going to address the downturn in agreement making and, in turn, flexibility in the workplace?

My next question relates to the application of the no disadvantage test. The Workplace Authority has allocated funding to the development of a no disadvantage test policy guide setting out how it will work. Will the minister answer yes or no as to whether the following terms and conditions can be modified or traded away, cashed in or removed under the government’s new no disadvantage test: uniform or laundry allowances, overtime or penalty rates, vehicle allowances, meal allowances, annual leave or sick leave, redundancy payments, rostering arrangements and long service leave entitlements?

Mr CLARE (Blaxland) (10.35 am)—I congratulate the Deputy Prime Minister on the delivery of a first-class budget. I will use this opportunity today to ask some questions about the $19-odd billion that has been invested in early childhood learning and schools and tertiary education in this budget.

Turning first to early learning, I note that there is $2.4 billion in funding over the next five years for early childhood education. In particular, I am interested in the $500-odd million over five years for universal access to preschool, providing every four-year-old in the country with at least 15 hours of preschool, 40 weeks a year. In my electorate of Blaxland, in south-west Sydney, I have contacted all the local primary schools and asked them how many children go to preschool before they attend kindergarten. Their advice is that it is around 50 or 60 per cent. The Parliamentary Library tell me that the national average is in the order of about 85 per cent, so I think that this is a policy which is going to be extremely beneficial for the young children of Blaxland, and I would appreciate the advice of the Deputy Prime Minister on how that will be rolled out and what she believes will be the primary benefit to people in my electorate.
For my second question, I am particularly interested in the $114 million that will be spent over the next four years to establish 38 childcare centres. I point particularly to the six autism-specific centres that will be developed across the nation. I think this is part of the establishment of about 260 childcare centres that will be built on school sites as well as on community land. Again I draw your attention to Western Sydney and the fact that a lot of parents do it tough. The Deputy Prime Minister mentioned inflation in her previous comments, and these are families that do it tougher than most. Rising interest rates—12 increases in a row—have meant that people in my electorate—

Mr Anthony Smith interjecting—

The DEPUTY SPEAKER (Mr KJ Thomson)—There is no point of order. I draw the honourable member’s attention to page 418 of *House of Representatives Practice*, which says: Debate which covers departmental activity and government policy in the area, as well as financial details, is in order.

Mr CLARE—So these are families that do it very tough—tougher than most. I have often described it, in this place and in the main chamber, as the mortgage stress capital of Australia. It is also a place where there are a lot of families looking after children with autism.

Dr Southcott—On a point of order, Mr Deputy Speaker: there is no question in this, and the purpose of this is to have an open and transparent—

The DEPUTY SPEAKER—I have already ruled on this point of order and I have pointed out that there is not a requirement for a question. The honourable member will resume his seat.

Mr Abbott—On a further point of order, Mr Deputy Speaker Thomson: your distinguished predecessor in the chair, Deputy Speaker Burke, ruled that there should be questions involved in the contributions. So I respectfully put it to you that you are not following the precedent quite properly observed by the senior Deputy Speaker when she was in the chair a moment ago.

The DEPUTY SPEAKER—I have already ruled on this matter. I have pointed out that debate is in order in the consideration in detail stage.

Mr Abbott—On a further point of order—

The DEPUTY SPEAKER—I have already ruled on this matter. Do you have a different point of order?

Mr Abbott—My point of order is that this is a matter where seniority ought to be respected. The senior Deputy Speaker, in the chair, took a different position. I respectfully suggest to you that you might consult with the Clerk as to what the senior Deputy Speaker did when in the chair just a moment ago.

The DEPUTY SPEAKER—I have advised the House that debate is in order. I refer you to page 418 of *House of Representatives Practice*. I call the member for Blaxland.

Mr CLARE—I am very happy to ask a question. I am interested in—

Mr Abbott—Yes—after 4½ minutes.

Mr CLARE—If you had not interrupted so many times, the question might have already been asked. I am interested in how the decision will be made about where those centres will be. I am very keen to see one of those centres in the region that I represent.
Finally, with the time available, I make the point that the Deputy Prime Minister has made some comments about the old public-private school debate. I believe, like you do, that funding should be based on need, and I am interested in the impact that that would have on my electorate, on the people of Blaxland. (Time expired)

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (10.41 am)—I will take the questions in turn. I did misunderstand the member for Warringah. I was talking about approved care and I understand now that his question was about registered care. So, while I correctly explained the operation of CCB and CCTR for approved care, I understand he has an interest in registered care. What I think is important for the member for Warringah to understand is that the income changes to CCB do not affect registered care. The proposal for CCB for registered care—that is, care provided by friends, relatives and nannies who have registered with the Family Assistance Office—is that the changes do not affect those families. Those families will continue to receive the minimum rate of CCB. I think that is the question the member wanted answered. They will continue to receive the minimum rate of CCB. The member for Warringah is right: such families in registered care do not attract CCTR. I can understand why he would have asked that question, and I think it is an important factual point. The new changes with CCB not hitting a minimum rate and continuing at high-income levels to zero are changes for approved care. They are not changes which impact on CCB eligibility for registered care. I hope that has specifically answered the question he asked.

The member for Makin asked about the Bradley review of higher education. The member for Makin is right: by world standards our universities have been through a very difficult period under the Howard government. We are intending to redress that. The Bradley review is about ensuring that our universities are a world-class system for the next decade and the years beyond. We want to take a long-term, strategic approach to higher education. The issues that the member for Makin raised are the sorts of issues which will be comprehended by the Bradley review, and I thank him for his question.

The Deputy Leader of the Opposition asked a number of questions in the workplace relations area, which I will turn to. She asked, in the first instance, about the assessment of collective agreements. That is being presently undertaken by the Workplace Authority. Consistent with Labor’s policy Forward with Fairness, after the implementation of our substantive industrial relations changes, the assessment of collective agreements will move to Labor’s new industrial umpire, Fair Work Australia. At that point, the Workplace Authority will cease to exist. The reason for creating Fair Work Australia is that we have an aspiration for a one-stop shop which will be easier for employers and employees. So, following our substantive industrial relations changes, a collective agreement assessment will be undertaken by Fair Work Australia. That is the nature of our reforms.

A division having been called in the House of Representatives—

Sitting suspended from 10.45 am to 11.00 am

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (11.00 am)—I presume I take up where I left off. I was answering the questions of the Deputy Leader of the Opposition. The second question she raised—I think it was the second question—was about a $30 million cut to the Workplace Authority. We have reduced resources for the Workplace Authority. We have done that be-
cause we anticipate that the impact of the transition act will be that fewer individual agreements are made. Consequently, we believe the work of the authority will be less. We are very well aware that, in relation to the authority, we are cleaning up a huge mess of over 100,000 agreements that are waiting for processing. We are not getting to the end of that, but we are making progress in addressing the backlog. We have hit a stage where the number of agreements being processed means that a dint is being made in the backlog. Instead of the backlog getting bigger and bigger month after month, the authority is starting to make a dint in it. This is a huge mess created by the former government. We are tidying it. We have to tidy it up in the interests of employers and employees who are caught in the backlog. It is one of the legacies of Work Choices, and we are dealing with it.

The Deputy Leader of the Opposition raised a question about the operation of the no disadvantage test. The operation of the test is that people need to get the conditions specified in the so-called Australian fair pay and conditions standard. Then they need to come out better off than the award. That is the way in which the test operates.

The last question I was asked was from the member for Blaxland. He is right; universal preschool is an important development for social equity. We are investing in that. His last question to me was on childcare centres. We are commencing the rollout of childcare centres. The first 38 will be rolled out as a result of budget initiatives. For the balance of the program, we will be working in partnership with state and territory governments. We will be consulting with local communities and stakeholders. We want to put those centres in areas of need and where they will make a difference. We have said publicly—and I know the member for Warringah is interested in this—that one of the criteria in assessing the providers for the centres will be to look to providers with a track record of affordable provision. I think that deals with all of the questions asked in a slightly disrupted pattern.

Mr ANTHONY SMITH (Casey) (11.03 am)—My question to the Minister for Education relates to the Quality Outcomes Program within her portfolio. I ask the minister to outline to the Committee the individual budget components—that is, what the budget is for each item—of the Quality Outcomes Program. Given that the program is budgeted to receive a cut of about $28 million over the next four years, could she outline what will be spent in each area?

Mr NEUMANN (Blair) (11.04 am)—My question arises out of a series of meetings I have had with school principals in my electorate, particularly in the Lockyer Valley and in Ipswich. It deals with trade training centres.

Mr Abbott—Mr Deputy Speaker, I rise on a point of order. I believe that the time for this particular budget estimate has expired.

The DEPUTY SPEAKER (Mr KJ Thomson)—That question is beyond the discretion of the chair. When speakers have finished on this item, I will put the question and then move on to the next item.

Mr NEUMANN—School principals have welcomed the trades training centre initiative, but it is really to do with timing, payment of money and whether schools can combine. For example, St Edmund’s College in Ipswich have talked to me about what they describe as an Ipswich trades training centre. They have had some consultations with St Mary’s College, a fellow Catholic school, as well as Ipswich Girls Grammar School and Ipswich Grammar School. They have different emphases when it comes to trades training in their particular
schools and they have discussed with me whether they can in fact combine and make a joint application for an Ipswich trades training centre. I have spoken to Mayor Paul Pisasale, the Mayor of Ipswich, about this issue; he supports it. I have also spoken to the Mayor of the new Lockyer Valley Regional Council, Steve Jones, about a trades training centre for the Lockyer Valley, for the Lockyer District State High School and also for Laidley State High School. When might the money come? Is it possible to pool together, and can schools therefore specialise when it comes to trades training so that, for example, someone can emphasise the engineering aspects and someone else can emphasise CAD?

The DEPUTY SPEAKER—I will call one of the opposition members if they wish to continue on this particular item: I call the member for Boothby.

Dr SOUTHCOTT (Boothby) (11.06 am)—Firstly, I would like to ask the Minister for Employment and Workplace Relations a question about the General Employee Entitlements and Redundancy Scheme. There is an increase of approximately 20 per cent in the budget for this program this year. Is that because the government is predicting more businesses will go out of business in the next 12 months? How many more businesses does the government expect will use this scheme in the next 12 months? What types and sizes of businesses does the government expect will fail in the next 12 months?

I would also like to ask the Deputy Prime Minister, in her capacity as Minister for Education, the following: can she advise us when phase 2 of the Productivity Places Program will commence and, specifically, how many existing workers will receive training under this program and in what period? And can she update us on when the agreements will be concluded with the state and territory governments?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (11.07 am)—To respond to the question from the member for Casey on the Quality Outcomes Program, that is, as the member would probably be aware, a discretionary program. The savings have been derived from uncommitted funds—that is, there are no programs that have been funded under that that are going to experience a withdrawal of funding because of the savings measure. So, that is from uncommitted funds.

The answer to the question raised by the member for Blair about the government’s $2.5 billion investment in trades training centres is: yes, schools can certainly collaborate; they can put in a joint application; they can partner up. We anticipate schools around the country will turn their minds to doing that, and a number of schools have indicated to me in my travels and discussions with them that one of the things they are thinking of doing is either clustering and building a bigger facility that all schools use, or partnering and developing their facilities but with full knowledge of what other schools in their area are also applying for so that one school could specialise in the provision of trades training in one trade, safe in the knowledge that a nearby school was going to develop their facilities specialising in another trade. Then they could have arrangements for students to move between the schools so that they get the opportunity to have the experience of different trades, through schools working in that kind of partnership arrangement. So, certainly, the schools in the member for Blair’s vicinity have all of these options open to them.

On the questions raised by the member for Boothby, the GEER Scheme is a demand driven program. For GEERS to be engaged, there needs to be a corporate failure in circumstances that are triggered by the guidelines, to put it broadly—that is, in circumstances where there is
no reasonable expectation that employees are going to secure their entitlements in the course of the distribution. The expenditure patterns for that are budgeted bearing in mind the historic draw-down patterns on GEERS, so the best possible anticipations are made of likely needs against those historic patterns.

The member for Boothby might give me a hint on the final question he raised.

Dr Southcott—I am happy to repeat it if you like.

Ms GILLARD—Just give me a hint of the topic and I will remember.

Dr Southcott—It was phase 2—

Ms GILLARD—Phase 2 of the productivity places; sorry. You are absolutely right; the productivity places come in two types. There are productivity places for people who are outside the labour market and productivity places for people who are within the labour market and seeking to upskill. Those productivity places are going to be delivered in partnership with state and territory governments. We are entering those agreements now. The member for Boothby would probably have seen that I have made some public announcements about an agreement, for example, with Western Australia. He should anticipate there being further agreements struck with states and territories which will be announced at the time.

I suspect the member for Boothby would also be aware that the specific purpose payment for vocational education and training is due for renewal in December this year. That is being worked on through the new COAG processes. The Prime Minister had a Council of Australian Governments meeting in December, which kicked off a major round of work and reform aimed at ending the blame game and the cycle of inefficiency, waste and lost opportunities that hallmarked Commonwealth-state relations under the Howard government. That was no more so than in the skills area, where the Howard government’s inability to deal with state and territory governments in a fair way meant we saw no renewal or renovation of our vocational education and training system, thereby playing a role in the generation of the skills crisis. We will be working on the renewal of that agreement through COAG processes and it will be announced before the end of the year.

Dr Southcott—Mr Deputy Speaker, I rise on a point of order. I want to jog the Deputy Prime Minister’s memory. My specific question was: under phase 2 for existing workers, when does the training commence, how many workers will be trained and over what period?

The DEPUTY SPEAKER (Mr KJ Thomson)—The Deputy Prime Minister has the call.

Ms GILLARD—And the Deputy Prime Minister views herself as having provided the answer.

Mr ABBOTT (Warringah) (11.12 am)—This will be the last question for the Deputy Prime Minister from the opposition so that we can go to the Minister for Families, Housing, Community Services and Indigenous Affairs. I want to thank the Deputy Prime Minister for appearing here in person and also, in anticipation, the minister for community services. I concede that ministers did not always appear in the former government, and I think it is good that they have appeared. I think the opposition will be talking to the government about how the format for this might be improved and regularised for next year’s budget. I refer the Deputy Prime Minister to an observation she made in her last answer where she said that, as part of awarding contracts for the new childcare centres, the government would have regard to the pricing policies of the operators. My question is: will the government be instructing the tender

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assessors to disregard tenders if a tenderer has raised prices at their other operations by more than a particular percentage?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (11.13 am)—One of the member for Warringah’s constant character traits—some would find it endearing; others, frustrating—is that he sees the world sharply in black and white, and there are ranges of complexity that he always finds difficult to deal with. I will leave it for others to assess whether it is endearing or frustrating. I think the member for Warringah dreams at night in a fevered way of socialist conspiracies; they worry him greatly. He ought to be getting a good night’s sleep. We are talking about a better and more efficient market in child care. When we talk about a better and more efficient market in child care, one of the things that have put upwards pressure on childcare fees is obviously supply constraints. We want to address the supply constraints. That is what the up to 260 new childcare centres are about. That is what the new workforce measures are about.

You would anticipate, as we address those supply constraints—and the government is in the phase of dealing with partnerships, such as public-private partnerships and partnerships with community based organisations and not-for-profit organisations—that one of the things that would be in the mix of that decision making is a track record of having provided affordable child care. Of course, it will not be the only thing but it will be one of the things in the mix of that decision making. This is important in terms of the allocation of the up to 260 childcare centres. It is important in terms of the shape of the childcare market. Through addressing supply-side constraints, we obviously want to do what we can to assist with ongoing childcare affordability. I remind the member for Warringah, who I think is fond of claiming that all things in this budget would have happened had the Howard government still been here, that a major childcare affordability measure in this budget—the increase in CCTR from 30 per cent to 50 per cent—would most assuredly not have happened had the Howard government been re-elected.

Proposed expenditure agreed to.

Families, Housing, Community Services and Indigenous Affairs Portfolio

Proposed expenditure, $3,270,142,000

Mr ABBOTT (Warringah) (11.16 am)—I have three questions for the Minister for Families, Housing, Community Services and Indigenous Affairs. I refer the minister to the changes which this budget makes to the definition of ‘income’ for the purposes of receiving a range of benefits. My first question is: in terms of the family tax benefit, what will that change to the definition of income mean? How many people who currently get the family tax benefit will lose it? My second question is: apart from the family tax benefit, what other government measures and government benefits will be affected by this change to the definition of income? My third question is: what estimates of savings are there as a result of these changes and their impact on access to benefits? I presume the government has done these estimates.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.18 am)—It is important that we recognise why the government is making these changes. We are making them to make the system fairer and more equitable and for income from different sources to be treated in the same way. The first question—I want to make sure I am following the three questions accurately—was about changes to the definition of income for family tax benefit purposes. What that will mean for family tax benefit parts A
and B is that 12,700 beneficiaries will lose the benefit and 61,700 will lose some of the benefit. However, you have to remember that about two million people are receiving family tax benefit A and B, so take that into account. That is the number of people who are receiving family tax benefit part A or part B who will be affected by the changes.

Regarding the second area, which goes to other benefits, there is also an impact on family tax benefit, and the changes that we are making will affect the Commonwealth seniors health card. I will get the accurate figure for you. You also wanted to know the level of saving, and I will get that for you too.

Mr ABBOTT (Warringah) (11.20 am)—I appreciate the thoroughness with which the minister is addressing these issues and I congratulate her on that. I also thank her for bringing some of the senior officials of her department to do this. I appreciate that there are a couple of matters on which she will come back to me, but in relation to her answer to my first question—the first of the three questions—she said that about 12,700 beneficiaries would lose access altogether to family tax benefit part A and part B, and 61,000 would have a reduced benefit as a result. Is it possible to be more specific and say how many of those beneficiaries are part A beneficiaries and how many of them are part B beneficiaries?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.21 am)—We will get back to you.

Mr HALE (Solomon) (11.22 am)—My question is to the minister. I firstly want to voice my strong support for the Indigenous Education (Targeted Assistance) Amendment (2008 Budget Measures) Bill 2008. The purpose of this bill is to amend the Indigenous Education (Targeted Assistance) Act 2000 and to appropriate an additional $9.05 million to deliver on two budget measures: expansion of the intensive literacy and numeracy programs, and the building of three boarding facilities in the Northern Territory.

The government’s policy on Indigenous affairs focuses on closing the substantial gap that exists between the socioeconomic outcomes of the Indigenous and the non-Indigenous populations. I just remind those present of what the Prime Minister said in his national apology to the stolen generations. He stated:

Today’s apology, however inadequate, is aimed at righting past wrongs. It is also aimed at building a bridge between Indigenous and non-Indigenous Australians—a bridge based on a real respect rather than a thinly veiled contempt. Our challenge for the future is to now cross that bridge and, in so doing, to embrace a new partnership between Indigenous and non-Indigenous Australians ... the core of this partnership for the future is the closing of the gap between Indigenous and non-Indigenous Australians ...

That was Prime Minister Kevin Rudd on 13 February 2008. The $56.4 million builds on the government’s significant investment in programs such as the National Accelerated Literacy Program and Making Up for Lost Time in Literacy. This represents a tangible and important contribution to accelerating improvements in literacy and numeracy achievements of Indigenous students.

My question, Minister, is: how will this extra funding and the building of boarding colleges help reduce the 17-year gap in life expectancy between non-Indigenous and Indigenous Australians?
Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.24 am)—I thank the member for Solomon for his question and for his very real interest and commitment to Indigenous affairs and particularly to young people and their need for education. We recognise that, particularly in the Northern Territory, there is an enormous amount to be done. Before the election, we made a commitment to fund 200 extra teachers in the Northern Territory and, as the member said, to fund three new boarding colleges, because we recognise that there are many, many places in the Northern Territory where children, particularly of secondary school age, just do not have access to secondary school, and of course we want them to attend a school. If they should attend school, they have to have a school to go to. We certainly do support this boarding college approach in both the Northern Territory and elsewhere. We are in the process of discussing the location of these boarding colleges with our Northern Territory colleagues and we certainly look forward to seeing those constructed and to seeing the new teachers coming on board.

The other area he raises is of course the critical area of literacy and numeracy. We understand that the gaps in the achievement of Indigenous children in both the Northern Territory and other parts of Australia are unfortunately a long way short of that of non-Indigenous children. That is why we have, once again as part of our election commitments, indicated that we are going to put additional resources into literacy and numeracy—really targeted resources, especially for little children, because we know that if you do not get it right in the early years then it is very hard to catch up later. These are very significant commitments that we have made.

I will go to the overall area. In this budget—and I am sure the member for Solomon knows very well and understands how desperately needed this is—we have allocated $666 million to the Northern Territory as part of our Indigenous budget. That goes across a wide range of different portfolios because we recognise just how critical it is to invest in education, certainly, but to also invest in health. In the law and order area there is a substantial contribution for night patrols and there are a number of other areas that we understand continue to need our attention. Even with this money, we know that more needs to be done. It is going to take some time before we close the gaps—the life expectancy gap, the education gap and the employment gap—in the Northern Territory, particularly in the remote parts of the Northern Territory. Even in the member’s electorate, which is largely based around Darwin and Palmerston, we understand that Indigenous people are not achieving at school to the same level as non-Indigenous citizens and that they do not have the same health. We intend to work very closely with the member for Solomon, and of course with our other colleagues in the Northern Territory, to really address the shocking gap that exists.

I would like to go back to the member for Warringah’s questions. I will do the best I can with what I have. I just want to make clear that the numbers I have already given you are in relation to the changes that refer to salary sacrifice and superannuation contributions—as long as we are really clear that that is what that was about. On the issue of the net savings from gross income and salary sacrificing with regard to the Commonwealth seniors health card, we expect the net savings to be $20 million. I am advised that we do not have the split here between the gross income and salary sacrificing. If we can get that for you we will. But that is the net saving on that initiative, and we will chase up the other figures.
Ms LEY (Farrer) (11.28 am)—Minister, I have one question on the national campaign to reduce violence against women and two or three questions on homelessness.

Ms Macklin—Just to assist the member for Farrer, the Minister for Housing is going to join us shortly. I am happy to take those questions, but she will be here shortly, if you would like to ask her. It is up to you. I just wish to assist the committee.

Ms LEY—I am happy to wait for the Minister for Housing and Minister for the Status of Women, but can you tell me when she will be here?

Ms Macklin—Ten minutes.

Ms LEY—Thank you.

Dr STONE (Murray) (11.29 am)—I would like to ask a question of the minister. Some $20 million was taken out of the Northern Territory emergency response budget. Minister, can you identify exactly which programs are to be reduced or cancelled as a result of that cut? We in the coalition are also concerned because some of the measures that have since been introduced as amendments to the original emergency response bills in fact increase costs. For example, now allowing 30 per cent of pornography to be on pay television in these prescribed communities will mean a lot more policing to ensure that not more than 30 per cent pornography on pay television is being screened into these most vulnerable settlements. Another amendment was to allow communities to ask that all pornography be removed from their communities. So there will be an additional policing cost. Of course, the coalition’s policy was no pornography at all. A further amendment to the emergency response bill provided that it was no longer a crime to transport pornographic materials and alcohol through these settlements. That, again, will increase the cost of policing. We are concerned as to how you are going to manage that, given the cuts in the budget.

I am most concerned to know whether the funding is continuing that the coalition put into the emergency response for reimbursing those who were on top-up with CDEP—there were not many but a few; about 1,500 people out of the 8,000—because they were doing some real work on CDEP. The coalition response to this problem was to transition those people as soon as possible into real jobs, to help them with job seeking and employment, but the top-up salary was there for another 18 months—though it was hoped that it would not be needed for 18 months—so that they could be transitioned into jobs without a drop in their welfare payments. We have heard little about this initiative since the new government has come into play, and it is of great concern to people out there.

My further question is in relation to the CDEP providers, who we intended would be going out of business as CDEP—the Aboriginal Work for the Dole—was replaced with real job opportunities and real work. We offered CDEP providers payments to become STEP—Structured Training And Employment Projects—providers. I would like to ask how many of those old CDEP providers have accepted the challenge of now moving to being real employment providers using the STEP. We had funding, of course, to support that transition, which we see as a key to helping Indigenous Australians in the emergency response areas to take up the vacant positions that are often surrounding them, depending exactly where their community is.

In relation to the Aboriginal boarding colleges, which were very recently announced—and which we in the coalition support wholeheartedly—as you would be aware, Minister, we al-
ready had significant numbers of those funded through Aboriginal Hostels Ltd. I would like to know: have you substantially increased the funding for Aboriginal Hostels? Besides the three that you have identified in the emergency response, there is great demand for such additional boarding colleges right throughout Australia. How are you going to handle that demand? Are there plans to put further funding in place to meet the additional demand which is already out there?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.33 am)—Member for Murray, I will respond as well as I can to each of the many questions that you just asked. I will just work backwards. You would be aware that the boarding colleges that we announced in the election campaign, which are funded in this budget, are additional, so they are extra. They are for three extra places in the Northern Territory. I agree with the member that this is an important program, one that I think there is strong bipartisan support for. We recently also announced—not as part of the budget but separately—that we would fund the new college at the secondary school in Weipa. We have taken a slightly different approach in the Kimberley, where I have announced funding for four hostels. Those hostels will be targeted not at secondary school students but at young people who are in training who need to be in places where they can study and be closer to their places of training—the TAFEs or the employers that they may be training with. So we are certainly embarking on that approach.

I acknowledge that the previous government also had programs—in the education portfolio, not in this portfolio—for supporting children to go to boarding schools. We support that approach. Some of the land councils are putting their own money into supporting children to go away to boarding schools. We want to work with the boarding schools and the Indigenous leadership, who are really supporting these approaches in many, many parts of Australia. We will continue to do so. It is something we feel very strongly about.

You have asked some very detailed questions on the issue of CDEP, and I will have to get back to you about those. We will take those on notice and I will make sure we get a response back to you on those detailed points. I would just like to say that, in general, we strongly support the movement of people off CDEP into properly paid jobs and, like the previous government, I have been very critical of many previous Commonwealth governments, state and territory governments—this is not a peculiarly Northern Territory problem—and local governments, for that matter, who have used CDEP to basically pay people on the cheap. We recognise that there is a need to fund those positions properly. In the case of the Commonwealth, it might be childcare workers. In the case of state or territory governments, it might be health workers or teacher aides. In the case of local government, it could be road workers. There are a range of different jobs where, unfortunately, governments of all persuasions have done the wrong thing by these people. I certainly acknowledge the money that was put into last year’s budget to help us transfer people off CDEP wages onto proper wages. That is proceeding and proceeding quite well in the Northern Territory. We agree with the opposition that this needs to be pushed ahead with our state and territory colleagues and with local government.

On the issue of the Northern Territory intervention, the member for Murray asked whether or not we have initiatives in the different areas the Northern Territory intervention went to. I refer the member to the ministerial statement: we have initiatives in early childhood, support-
Dr Stone—Where are the cuts to come from?

Ms Macklin—We have not cut out any initiatives. We have not said, ‘We won’t do school nutrition,’ for example, or ‘We won’t do night patrols.’ Obviously, we think all of those things are important, and I refer you to the budget papers, where all of these are separately identified. It goes through all the different parts. (Time expired)

Mr Abbott (Warringah) (11.38 am)—I congratulate the minister on the way she is handling this. Following on from the questions from the member for Murray—I know the subject of pornography in remote communities is sensitive—it was the Howard government’s intention to totally ban pay TV porn in these remote townships subject to the intervention. The current government’s legislation only bans it on the request of a community, under particular circumstances. I have heard the Prime Minister and the minister talk about the importance of getting the porn out of these places. I am not quite sure that the government appreciated that it was actually watering down the porn restriction with its legislation. So I ask the minister whether the government might be prepared to revert to the tougher measure that was introduced earlier.

Ms Macklin (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.39 am)—I thank the member for Warringah for his question. This is an area where we share a commitment. I think we understand across the parliament just how damaging the availability of pornography in any community is. I am sure the member for Warringah has seen the reports in the media this morning of the very successful work done by the Australian Federal Police on this issue in the broader community. I think it is an area that we all feel has to be addressed. The member for Warringah also understands, I am sure, that we are adding to the measures that were put into the parliament last year by the previous government. We supported the measures that the previous government introduced to control access to pornography. The bill in the parliament now adds another measure. It is not watering things down; it is adding another measure to the legislation which was introduced and agreed to by the previous government. I also add that it is not actually a budget issue.

Mr Clare (Blaxland) (11.41 am)—I would like to draw the minister’s attention to page 178 of Budget Paper No. 2 and the heading ‘Financial Counselling—enhancing existing programs’. I see in the budget papers that funding will be extended to something in the order of $20 million, which I welcome. I have spent some time over the last few weeks meeting with financial counsellors both in my electorate and across Sydney. One thing they all have in common is that they tell me they are very stretched. A lot of people are queuing up to see them.

I recently met with Tony Devlin, who runs counselling for the Salvation Army, and he made the point that, whereas four years ago 10 per cent of their clientele were people with mortgages, suffering housing stress, it is now in the order of 40 per cent, which helps to explain why the need for this funding is so great. He also made the point that people often come to financial counsellors too late—when the sheriff is at the door or the bank is foreclosing. At that point in time, financial counsellors can do very little to assist people that come to see them.
He also made the point—and others have made this point too—that people who come to financial counsellors are sometimes pensioners or people who are unemployed and yet have six credit cards and debt in the order of $100,000, which is very difficult to explain or for banks to justify. I am glad to see that the green paper on financial services is addressing this point, because I think it is appalling and something that definitely needs to be addressed.

My question to the minister is: how and when will that additional funding be distributed? Please give some detail about how organisations apply and whether it will be distributed only to big organisations like the Smith Family and the Salvation Army or whether smaller, locally based NGOs can also get access to these funds.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.43 am)—I thank the honourable member for his question. The extra money that is going to be made available for financial counselling is a very welcome addition in this budget—a doubling of the budget, in fact. He is right that many of the financial counselling services that are scattered through the suburbs and country towns have been finding it very difficult to keep up with demand at a time when a lot of families and other Australians are under very significant financial pressure. We know that the more we can provide advice to people before they get themselves at the most desperate point the better. I am very pleased to be joined by my colleague the Minister for Housing. One of the services Centrelink provides is called the home advice service. This also helps families when they find themselves getting into financial difficulty. Centrelink can provide a range of different services for families to help them through those difficulties.

The member asks how this money is going to be distributed. I am in the process of writing to financial counselling services, particularly smaller ones that have just a small allocation, and trying to lift their capacity so that they can conduct their service in an ongoing and more productive way. We are trying to provide some money to them in a way that really lifts their capacity. Then we will provide some money for new services as well. Right now—actually, as soon as I get back to the office—we are in the process of helping to lift those financial counselling services. Some of them only have money for three days a week. We know those sorts of people are under very serious stress, trying to provide services to a lot of people. We will be getting those letters out very shortly.

Ms LEY (Farrer) (11.46 am)—My question is to the Minister for the Status of Women. It concerns the National Plan to Reduce Violence Against Women and Children. I note that the government will provide $1.7 million over four years to support activities that help reduce violence against women. I ask the minister what measures will be taken within this budget—because at the moment I do not see any—that will communicate to men, women and children what support and help is available, given that the minister has indicated that the government is no longer continuing with the No Respect, No Relationship campaign.

I also want to ask about the travelling listening tour that has been appointed within this budgetary process to come to regional areas. I have a women’s refuge in my electorate that was given three days notice of a session in Melbourne, which they cannot possibly hope to get to. I would respectfully ask you if you could ask the group of experts that you spoke about in the House yesterday to visit regional areas, particularly with respect to the communication campaign.
Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (11.47 am)—I am very happy to answer this question now, and I will, but I think the Minister for Families, Housing, Community Services and Indigenous Affairs will need to leave after this. So, if there are other questions to her, we could do those next and then come back to me afterwards if that suits people.

The member for Farrer has asked about two slightly separate issues and I am very happy to talk about both of them. The first issue is our plans to communicate with the community about the very serious issues of domestic violence, and I take it that you also mean to have sexual assault included in that communication. You have asked about the continuation of the No Respect, No Relationship campaign. The first thing that I should clarify is that the original No Respect, No Relationship campaign was not proceeded with by the previous government. In fact, it was pulled at the last minute because some judgements were made that it was not an appropriate campaign.

Our view at the time was that it was a very strong campaign because it was intrinsically based on very good international and domestic research about what really worked in changing not just community attitudes but also community behaviour when it came to domestic violence and sexual assault. That campaign was replaced with another campaign that was called Violence Against Women—Australia Says No, which was a quite different advertising campaign. The original campaign proposed a quite deep behavioural change effort. It was about working with young men, in particular, through sporting heroes, and there was much more detailed on-the-ground work in schools and local communities. That campaign was replaced with a much broader campaign that was an advertising campaign in the mass media: television, newspapers, magazines, websites and so on.

There was substantially different content between the two campaigns; there were different target groups and different aims. The Violence Against Women—Australia Says No campaign had a booklet that was sent, for example, to every Australian household, whereas the No Respect, No Relationship campaign was targeted more directly at the population groups that were most likely to be able to change behaviour when it comes to violence against women.

Mr Georgiou—You are actually romanticising that quite a lot.

Ms PLIBERSEK—Sorry, Petro, I didn’t quite get that.

Mr Georgiou—You are romanticising that quite a lot.

The DEPUTY SPEAKER (Hon. BC Scott)—The minister will ignore that interjection.

Ms PLIBERSEK—Can I just finish my answer, sorry. I have five minutes.

A government member—Can I just—

The DEPUTY SPEAKER—The minister has the call. She is not outside her time.

Ms PLIBERSEK—You will have another chance in a minute. So we are focusing our communications on areas where we can have the maximum impact on behaviour change. That is our intention.

We are working on a Respectful Relationships campaign with schoolchildren in particular. At the moment the Victorian government is mapping all of the different campaigns that work in schools in particular. We will be building, with our national council on violence against women, on that work to produce a resource that goes to every school—for example, to target...
young men and young women about building respectful relationships. We are spreading the White Ribbon Day campaign, which has been so successful in encouraging men to take responsibility for sexual assault and domestic violence, out into regional and rural areas. We are using our national council to develop, as well as the measures that we have already committed to that are on the public record, a broader strategy that allocates responsibilities to different levels of government and different bodies in our community, and that sets measurable time lines and markers of what we want to achieve in the area of domestic violence, because we know that it is going to take a substantial amount of on-the-ground work to change the attitudes of young people in particular. *(Time expired)*

**Mr Abbott** (Warringah) (11.52 am)—This is my final question to the minister for families and community services. I again appreciate the spirit with which she has entered into this, her willingness to engage and also particularly her preparedness to not take five minutes for an answer. I refer the minister to the family income management measures that were part of the budget—the voluntary family income management measures that were part of the budget—and I congratulate her for that. My understanding is that the only areas where voluntary income management will be possible, at least in the 2008-09 financial year, are the Kimberley area of Western Australia and the Cannington area of outer metropolitan Perth. I have two questions: first, does she have any idea as to the time line for when voluntary family income management will be available more widely; and, second, with regard to compulsory family income management welfare quarantining for people who are not sending their kids to school and so on, when does she think that might actually start happening outside of the Northern Territory, Cape York and the Kimberley?

**Ms Macklin** (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.53 am)—I thank the member for Warringah for his question. We just need to be a bit clear about the difference between voluntary and compulsory income management. In the case of the Kimberley area and Cannington, the suburb of Perth, the way that is going to work with the Western Australian government is that, if there are children in families in those two parts of that state where the child protection authorities think that it would be to the benefit of those children that their parents’ welfare payments are quarantined, it will not be voluntary. I just want to make that very clear. If they decide it is a good idea in the interests of the child, then it will be done. We are in the process of getting all of this ready to start in both the Kimberley and Cannington. The member for Warringah would be aware that this has not been done anywhere else in a metropolitan area before, so it is quite a complex task to get it working and get it working right.

He would also be aware that, to assist this process of income management in Western Australia and also in the Northern Territory and on Cape York, we are introducing a new debit card. This, too, is a whole new approach, one that we hope will make it easier for the people who are having their welfare payments income managed. The member would also be aware that there have been problems in the Northern Territory with some small businesses, in particular, who have been frustrated by the method of income management which we both agreed to in the past. We all know why that happened, so I am not being critical about it—it is just a fact. That is quite a complex task as well. Yesterday I spoke with Senator Ludwig, the Minister for Human Services, who has the task of getting that debit card up and running. He is very conscious of our desire to get that working.
It is going to require a different approach on Cape York; the four Cape York communities are going to have quite a different approach again. We are going to have three different income management methods being undertaken, and we will want to look at the effectiveness of them. We will obviously look at the effectiveness of the Northern Territory model in our major review, which we are about to commence. We want to have the opportunity to look at how it works in a mainstream community, which is why, with the Western Australian government’s agreement, we have chosen Cannington. This is a very new approach. We want to make sure we get it right, and we will evaluate its effectiveness. I think we are on the same page in wanting to make sure that these payments are used for the benefit of children. Fortunately, most parents do the right thing.

I think the member would also be aware that we intend to introduce legislation to enable people to volunteer to have their income managed, if that is what they think would help them. As I am sure you are aware, a Centrepay system exists. People can sign up to Centrepay, but we want to expand that opportunity for people who might want to have their income managed in a voluntary way, perhaps because they are being humbugged or not being left alone to manage their own money and because they think that this would help. Another reason might be that it helps them with budgeting. That is some legislation that will be introduced shortly.

Ms LEY (Farrer) (11:58 am)—My question to the Minister for Housing concerns the Housing Affordability Fund, which provides grants on a competitive basis to state governments to reduce infrastructure costs, with savings to be passed on to homebuyers. Minister, how will the applications made to the Housing Affordability Fund by state governments be assessed in terms of their ability to reduce the cost of a first home to homebuyers? Will those who apply to the Housing Affordability Fund have to demonstrate that the cost of the final home to the first home buyer will be reduced, and on what basis will the department assess those applications?

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (11:59 am)—The Housing Affordability Fund is a $512 million investment. We expect some applications from state governments but, more commonly, the applications will come from local government. They may well come from local government in partnership with particular developers. The application process will be a competitive process. We are not distributing the funds on a population basis—so much to a particular state, depending on the population of that state. We are distributing on a competitive basis.

The competitive basis is what delivers the biggest saving at the end of the day for new home buyers comparable to the Commonwealth investment that is put in. We are hoping that our investment will not just enable us to bring down one aspect of the cost of buying a new home—some of the fees and charges that local and state governments impose—but also in part drive reform of some of the processes that are adding costs along the way. An example of that is the electronic development application money that we have set aside, the $30 million, to encourage local government to not just transfer their existing system from a paper based application system to an electronic system but also, as has been done in some areas where this has been done already, simplify and streamline that development application process.

So we will see costs coming down, lower fees and charges, where we are able to help with little bits of infrastructure—we are not talking about railway lines; this fund is not designed for major infrastructure but for little bits and pieces here and there—or through driving reform
that reduces the time it takes to take a property from the conceptual stage to the market stage and thus reduce the holding costs on that land and that property.

Can I also just mention very quickly to the member for Farrer that the consultations on the green paper that you asked about earlier—the one that your services would be going to would be the one in Albury-Wodonga, I imagine; is that right?

Ms LEY (Farrer) (12.01 pm)—Sorry, Deputy Speaker, this is not meant to be a conversation across the table—

The DEPUTY SPEAKER (Hon. BC Scott)—No, it is not meant to be a conversation.

Ms LEY—but sometimes it might make it easier to get the messages across. Minister, you may be talking about the homelessness process. I was talking about the group that you have now, that you announced yesterday, consulting on violence against women. No-one knows where they are going, but people in regional areas have been invited, with three days notice, to go to Melbourne, which is a four-hour drive.

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (12.02 pm)—I am sorry. I misunderstood. I thought you were talking about homelessness because you were talking about a supported accommodation assistance program, a funded service. You said you were talking about a women’s refuge. Sorry, I misunderstood for that reason. The national council on violence against women met for the first time yesterday, so we do not have a forward program for every meeting that they will be doing through the year and I do not yet have dates for broader consultations around the country. They will be going to regional areas and they will be consulting a very wide range of services, women and individuals. The thing I should also say about the council members is that the people we have asked to be part of this are people who have very wide networks already. We have deliberately gone for people who have worked in this area quite extensively and who are immersed in the work of domestic violence or sexual assault. They are people who have been campaigning for reform for a number of years, and they do have very extensive existing networks that they will be consulting along the way as well.

Ms LEY (Farrer) (12.03 pm)—I appreciate the time and that other members are here to question other ministers, but I have one more question for the Minister for Housing and it concerns the National Rental Affordability Scheme. What evidence do you have or what research has your department or any other department of the government done to demonstrate that the incentives that you have announced to build affordable homes in the course of the next three years will actually be taken up by developers?

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (12.03 pm)—I personally have had and my department have had extensive discussions with not just developers but also superannuation funds, institutional investors and community housing providers, who are also potential beneficiaries of this scheme. We have had extensive consultations. We have released the National Rental Affordability Scheme technical paper; the feedback I have had on that is good. I am confident that there is a substantial demand in the community for this initiative. The conferences I have been to, the meetings I have had, the discussions I have had with people are overwhelmingly positive.

Proposed expenditure agreed to.
Mr TRUSS (Wide Bay—Leader of the Nationals) (12.05 pm)—I would like to ask the Minister for the Environment, Heritage and the Arts some questions about the environmental impact assessment for the Traveston Crossing dam. I am aware that he visited the site a little while ago. Firstly, I would like him to give us some information about the timetable for the environmental impact assessment. Has he yet received the assessment from the Queensland government, and when does he expect that his own consideration of this issue under the EPBC Act will be completed?

The minister visited the site in the company of Mr Graeme Newton of Queensland Water Infrastructure, the project proponents. It has also been reported that the former opposition spokesman for the environment, Mr Albanese, also secretly visited the site in the company of the proponent, Mr Graeme Newton. I am aware that in the minister’s visit he spent a small time—he had a truncated meeting—with a few specifically invited locals, but does he intend to give equal time to those who oppose this project as he spent with the proponents of the project during his visit to the Traveston Crossing dam?

Is he aware that the Queensland Treasurer said in state parliament on 15 May that the Queensland government has already spent $500 million on the project, which is about a third of the government’s estimated cost of completing the project? Why has the Queensland government been allowed to get the project one-third completed before it has even lodged the environmental impact statement with the Australian government for consideration? Is the minister aware of repeated claims by Queensland government ministers, as reported in the media, that they have already received a wink and a nod from the Rudd Labor government that it will approve this project?

I am particularly asking for an assurance from the minister that there will be genuine integrity in the environmental impact assessment of the Traveston Crossing dam. There are serious environmental issues involved, and hopefully someone during the minister’s visit was able to explain some of those to him. The community is deeply concerned that this process is fatally flawed, especially in view of the fact that the minister does not even have the environmental impact assessment and the project is one-third built.

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (12.08 pm)—I will go to the questions put by the member in a moment, but I first want to present the 2008-09 Environment, Water, Heritage and the Arts portfolio and the Climate Change portfolio appropriations to the Main Committee of the House of Representatives. In doing that, I want to point out that the 2008 federal budget underpins the government’s comprehensive election commitments relating to climate change, to the management of water resources, to the protection of our unique environmental assets and to the setting of new directions for the arts. It is entirely appropriate that we should debate these bills on World Environment Day.

On climate change, recognised as one of the greatest social and economic challenges of our time, the government’s approach is built around three priorities: reducing our emissions, adapting to the impacts of climate change that we cannot avoid and helping to shape a global solution. Through this budget, the government has delivered $2.3 billion in funding for cli--
mate change. Central to this approach is the allocation of $37.3 million for the design and implementation of an emissions trading scheme.

The government is also fully committed to delivering to householders the ability to save money on household energy bills. We are committed to providing a one-stop green shop to link households, schools and small businesses with access to energy- and water-efficiency advice through a Green Loans program. The government additionally is committed to ensuring that there is protection for our unique environment.

Our biodiversity, landscapes and our special places are also under threat from long-established impacts of land clearing, urban development, pollution and unsustainable use of natural resources. Through Caring for Our Country the government will spend $2.2 billion over the next five years to deliver an environment that is better protected, better managed and more resilient in the face of climate change. Central to this is a $200 million Great Barrier Reef Rescue Plan and $100 million for a community Coast Care program as well as funding to expand Indigenous protected areas and the National Reserve System.

Water scarcity continues to be a major national challenge for Australia. We recognise that water shortages pose a serious threat to our economy and way of life, and the government is responding to the water crisis through the $12.9 billion Water for the Future plan. The budget includes $1.5 billion in new funding under Water for the Future to deliver on the election commitments; $1 billion for the National Urban Water and Desalination Plan, which will invest in major water infrastructure projects in larger cities and will support desalination, water recycling and stormwater harvesting projects; the $254.8 million National Water Security plan for cities and towns, that will invest in more efficient water infrastructure, including stormwater capture projects, water recycling and water treatment plants as well as refurbishing older pipes and water systems; and the $250 million National Rainwater and Greywater Initiative, providing rebates of up to $500 to households for rainwater tanks and greywater facilities. We have also brought forward significant levels of funding in 2008-09 under our $12.9 billion Water for the Future plan. This is a government that is delivering on its election promises and delivering on the desire of Australians to see robust national leadership in the areas of climate change, water and protecting our national environment.

In relation to the question put to me, I want to point out to the member that the decision I make on Traveston Dam will only be made after a full and thorough consideration of all the relevant information that emerges during the assessment process. As the member knows, the dam is being assessed under the EPBC Act 1999 as well as by the Queensland government under relevant state legislation. The Commonwealth has a bilateral agreement with the Queensland government, and the coordinator-general will prepare an assessment report for my consideration. In making my decision I will ensure that I have considered the Queensland government’s assessment report in accordance with my responsibilities under the EPBC Act and I will carefully consider the impacts of the dam on matters of national environmental significance as well as on relevant economic and social matters. And I will consider all other relevant information on the impacts of the proposal. That will include views that are brought forward by the community—such as the result of independent reviews, public submissions from the community which the member has mentioned, and the relevant recommendations of the Senate Rural and Regional Affairs and Transport Committee inquiry into additional water supplies for south-east Queensland.
Dr STONE (Murray) (12.13 pm)—I have a series of questions for the shadow minister. A core of the budget was the $2.247 billion for the rollout of Caring for Our Country, which is the rebadging and reworking of the old Natural Heritage Trust and National Action Plan for Salinity and Water Quality. Of course, under the coalition government we put record funds into those two programs, which extended over some 10 years. We are now very concerned, and so we want answers about how Australians are going to deal with the chaos and job cuts that are flowing on from the fact that you have cut 20 per cent of the funding of Landcare. Already a number of people right across Australia have contacted me saying, ‘Our jobs as Landcare facilitators have gone,’ and 4,000 voluntary groups now feel that they cannot do the work that they have done for 25 years.

The Envirofund is gone and the Environmental Stewardship Program is gone. These programs are not funded. There is a 40 per cent slash in funding to the catchment management bodies which we put in place or supplemented, to manage what we called the Natural Heritage Trust and NAP.

We understand from your budget that they are also to manage your Caring for our Country program. You have slashed their budgets by 40 per cent. You have said that there will be perhaps a contestable component in the future which they can bid into to replace some of that lost funding. These catchment management bodies are now begging to know when that contestable project or program will begin, how they will tender, and what components of work they may do. They also want to know whether the old state arrangements will continue to apply—where we had matched grants, matched funding in the case of the salinity program, and in kind support with the Natural Heritage Trust. Has that been resolved? If not, when will it be resolved?

Moving on to national parks, we are very concerned to know that the Kakadu park in particular is not going to have fees introduced and we want to know whether the about-to-be proclaimed new national parks at Gregory—the two parks in Gregory plus the new reserves, which are now before the House as a bill to be declared—will attract fees, given that it seems to be a new move for this government to replace fees on Kakadu.

Let me move on to the very serious business of Green Corps. It was an absolute icon of youth participation in environmental works, a traineeship program. It had been in place for 10 years. It is to be turned into a Work for the Dole program under this government. We would like to know, in your environment portfolio, how you are going to replace that program, given the work it did and the inspiration it provided to young people. As I said, it is a 10-year-old program with hundreds of thousands of participants who have worked right across Australia.

Let me just add to this mix: the Murray-Darling Basin $10 billion, 10-point plan. You have now expanded that under the budget by several billion, and on the surface that looks to be great. Our problem is we want to know—in fact, we have to know—why or how you are going to fund the on-farm water saving measures which were integral to finding real water; that is, water that could be delivered immediately to the environment of the Murray-Darling Basin system. The on-farm water saving measures have not been mentioned out loud by this government since it came into office. Where have they gone, please? We need to know.

We also want to know how you are going to target the overallocated water, which is mostly in New South Wales on their rivers as diversion licences. We used to call them sleepers and dozers. They are no longer being targeted by the buyback moneys—the $50 million initially,
the extra billions you have put in place. That is a critical problem for the Murray-Darling Ba-
sin. How are you as the minister in this area, along with Minister Penny Wong, going to deal
with the overallocated water problems, given that we are told that the buyback is mostly for
high-security and lower security water but not from the overallocated areas?

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts)
(12.18 pm)—I thank the honourable member for her question and I will go to some of the
matters that she has raised, starting with Caring for our Country. As the member knows, the
Caring for our Country program is a significant program of reform which brings leadership,
accountability and an integrated approach to natural resource management, which was sorely
lacking in the previous programs that the coalition, when in government, were delivering. I
point out to the member that in the first five years $636 million will be provided as secure
baseline funding for regional NRM organisations, and additional funding of up to $75 million
will be available to help overcome transitional problems. I have to say that, having met with
the catchment management groups in Melbourne, as we did recently, and having gone through
with those groups in some detail the government’s proposed approach to natural resource
management delivery and the provision of secure baseline funding and additional contestable
funding, we found a very high level of support from the community.

Dr Stone interjecting

Mr GARRETT—The member is making interjections across the floor, but I just have to
put on record my concern that the coalition have to actually use accuracy in relation to their
comments about these programs. What is the point of engaging in a process of discussion
about a program that this government has brought forward if there is not a willingness on the
part of the coalition to actually produce criticisms which have substance or content?

The member has made a number of inaccurate and misleading public statements about Car-
ing for our Country, and we have heard some of them today. For example, in the past, the
member has said that Landcare has been cut by 20 per cent. That is simply not correct. Land-
care has been allocated funding of $189.2 million over the first five years of Caring for our
Country. Savings of $1.5 million over five years reflect the efficiencies to be gained by deliv-
ering Landcare as part of an integrated program. I say to members opposite: when you hear
about savings and efficiencies, it is no wonder that you are calling out from that side of the
House, because the Australian National Audit Office was damning of your performance when
it came to the delivery of the Natural Heritage Trust—absolutely damning. If we look at the
level of ecological and natural landscape health across the continent in the period of time that
you were in government, when you had access to all the funds in the world to drive a success-
ful natural resource management program, and when we look at the indices of health as a con-
sequence of that, we see that not only was it unaccountable but it actually did not deliver any
results either.

The second thing I want to address is the claim that has been made about cutting red tape.
We are cutting red tape. Decisions on Caring for our Country will be shared between the Min-
ister for the Environment, Heritage and the Arts and the Minister for Agriculture, Fisheries
and Forestry. We are providing a streamlined approach to decision making. We intend to pro-
vide greater efficiencies by sharing decisions on Caring for our Country and natural resource
management delivery.
Additional to that, I want to point out that Landcare and the Environmental Stewardship Program have been consolidated into Caring for our Country, along with the Natural Heritage Trust and Working on Country. The reason for that is that we have identified six national priorities which we believe ought to be the appropriate delivery focus for this program. To have six national environment priorities means that we have actually got some focus in the program which was never there before. I have every expectation that we will have a rollout of substantial programs which will be taking place—

Dr Stone—You call them efficiencies. We call them cuts.

Mr GARRETT—Mr Deputy Speaker, I would ask that you draw the member’s attention to the fact that I actually still have a period of time to speak.

The DEPUTY SPEAKER (Hon. BC Scott)—I will decide that.

Mr GARRETT—I do not seek to direct you, Mr Deputy Speaker.

The DEPUTY SPEAKER—No, nor will you.

Mr GARRETT—The government provided all regional bodies with 60 per cent of their historic funding levels for 2008-09 and, in addition, each of the 56 regional bodies has recently been advised of their share of the 2008-09 transition support funding, totalling $31.8 million. I say this: the government recognise the government work that is done by catchment management bodies and natural resource management bodies right around the country. We recognise it and we are actually providing them with a substantial opportunity for focus—

(Time expired)

Mrs MARKUS (Greenway) (12.23 pm)—Given that the government claims in the budget that it understands that climate change means that we need to manage our water supplies better and also given that the Hawkesbury-Nepean River supplies over 90 per cent of Sydney’s drinking water and supports the generation of around 70 per cent of Sydney’s income, will the government honour the commitment by the prior government to deliver $132.5 million in funding to address the issues of the Hawkesbury-Nepean River? A yes or no would suffice. What does the Australian government plan to do to tackle the challenges faced by the Hawkesbury-Nepean River system in the next 18 months?

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (12.24 pm)—I thank the honourable member for her question. I am not intimately familiar with the previous promises that were made by the coalition when they were in government in respect of the Hawkesbury-Nepean River system. I am happy to come back to you on the question of detail that you ask. But I would make one observation, and it is this: for nearly 11 years we had significant inaction on the part of the Commonwealth in relation to providing the necessary support for restoring our river systems to health in the Murray-Darling Basin and around the country as well. I am happy to take the question on notice.

Mr DREYFUS (Isaacs) (12.25 pm)—It is extraordinary to come here and listen to members opposite persisting with the pretence that the coalition actually cared about the environment and persisting with the pretence that they are still in government.

Opposition members interjecting—

The DEPUTY SPEAKER (Hon. BC Scott)—Members on my left will desist from interjecting. The member for Isaacs has the call.
Mr DREYFUS—It is a pleasure to be here on World Environment Day to make some comments about the environmental measures that are contained in these appropriation bills. It was also extraordinary to hear from the Leader of the National Party not a question or a comment—

Mrs Gash—Mr Deputy Speaker, I rise on a point of order. This is question time for the ministers and the opposition to ask questions. There is time in the adjournment debates to make statements.

The DEPUTY SPEAKER—Member for Gilmore, I have ruled on that point of order. This is not a question time, but the statements must be directed to the minister’s relevant portfolio.

Mr DREYFUS—Thank you, Mr Deputy Speaker. If it were question time, we would not have heard a five-minute speech from the member for Murray. We have not heard anything to do with appropriation bills from the Leader of the National Party.

Opposition members interjecting—

The DEPUTY SPEAKER—Order! The member for Isaacs has the call and he will direct his statements to the relevant portfolio before the chair.

Mr DREYFUS—I am endeavouring to do that, Mr Deputy Speaker.

The DEPUTY SPEAKER—And I am endeavouring to listen.

Mr DREYFUS—The Leader of the National Party, in his comments, directed not one single word to the appropriation bill that the minister in the Main Committee is responsible for but rather persisted with an attack on the Queensland state government—not content with having done so a few days ago in the House on a notice of motion.

The comments that I would direct to the environmental aspects of the appropriation bill are to draw attention to the fact that this budget places care for the environment, care for our land and care for our country at the centre of national policy—and it could not provide a starker contrast with what the previous government was engaged in. The community was offered two very distinct approaches at the last federal election, and it has made the choice—and the choice in the environmental area was a stark one.

In the international arena, we had a choice between the Liberal Party, which stubbornly refused to ratify the Kyoto protocol and acted as a spoiler on international climate change negotiations and the Rudd Labor government, whose first act was the ratification of the Kyoto protocol, which has given Australia a seat at the international negotiating table on climate change, where Australia is going to be able to play a significant role in the future—a role that was denied it by the actions of the former government. In terms of science, we had a choice between the former Prime Minister, who said that a five-degree increase in temperature would be, to use his words, ‘uncomfortable for some’, and a Rudd Labor government which accepts the science, a Rudd Labor government that has listened to the experts and is acting accordingly.

On emissions targets there was a very sharp choice between a Liberal Party with no targets for reducing Australia’s greenhouse gas emissions and a Rudd Labor government which is now committed to reducing Australia’s emissions by 60 per cent of 2000 levels by 2050. On emissions trading, the Liberal Party’s pre-dawn conversion to a scheme the previous Prime
Minister had spent years blocking then grudgingly moved to accepting a start date of 2012, while the Rudd Labor government—(Time expired)

Mr SCHULTZ (Hume) (12.30 pm)—I rise this afternoon to ask the Minister for the Environment, Heritage and the Arts some very serious questions about matters that are affecting regional and rural people—

Ms Grierson—Mr Deputy Speaker, on a point of order: it seems to me that the time for this debate expired, under the standing orders, at 12.30.

The DEPUTY SPEAKER (Hon. BC Scott)—No, it is not an automatic adjournment, as I understand it. There was not an automatic adjournment, but I am advised that there was some agreement that there would be an adjournment—but it is not an automatic adjournment. That was in the hands of the whips, not in the hands of the Speaker in this regard. I call the member for Hume, who I have given the call to.

Mr Garrett—Mr Deputy Speaker, I raise a point of order. My understanding is that this part of the consideration has been divided into two and, as a consequence, there will be a second opportunity for members opposite to put questions to us at that point and that we were going to adjourn.

The DEPUTY SPEAKER—I respect the minister’s comments, but I am in the hands of the chamber. I understood that that would have to be an agreement between the relevant people on duty from both sides of the chamber.

Mrs Gash—With respect, Mr Deputy Speaker, it was agreed upon—a 12.30 adjournment.

The DEPUTY SPEAKER—Thank you. Therefore, the member for Hume does not have the call and Deputy Speaker Burke will be returning, because I know that I have first call in the adjournment.

Consideration, by leave, adjourned.

ADJOURNMENT

Mrs GASH (Gilmore) (12.33 pm)—I move:
That the Main Committee do now adjourn.

Fadden Electorate

Mr ROBERT (Fadden) (12.33 pm)—Thank you, Madam Deputy Speaker, and what a pleasure to be in the same chamber once more. I rise this afternoon to request that the government commence planning to put a new Centrelink office and associated government services into the new Coomera town centre which is planned to be built over the coming four years in the middle of the electorate of Fadden. There are currently two consortia looking to construct a range of shopping and town centre facilities in the middle of Fadden, being Macquarie Leisure and Westfield. Whilst the outcome of the applications that those organisations have put in is yet to come from the Gold Coast City Council, the council has indicated they are strongly supportive of putting a Coomera town centre or shopping precinct in the middle of Fadden.

Whatever the outcome, Fadden is the fastest growing electorate in the nation. Between the 2001 and the 2006 censuses, Fadden grew by a staggering 31.6 per cent. In the 2006 census, 54 per cent of the people there had actually moved home or moved into the area before or in between the 2001 and 2006 censuses. To highlight the extent by which the electorate of
Fadden has grown, the next largest growth area is the seat of Sydney, and the seat of Sydney has only grown by 25 per cent—still remarkable in that time, but even more remarkable is that Fadden has grown by 31.6 per cent.

So, considering this remarkable growth and considering that the council will approve a town centre of sorts in Coomera, we desperately need the services of a post office and a Centrelink office and the associated government services, which include access to Medicare claims. There are currently 95,000 people on the electoral roll in Fadden, and over 55,000 addresses. Twenty-five thousand people access and use the benefits provided by Centrelink. There are two Centrelink offices on the very southern border of Fadden with Moncrieff: one at Biggera Waters and one in Nerang. But the next one with respect to the electorate is 36 kilometres north, at Beenleigh. In between those areas lies the growth corridor of Coomera, Upper Coomera, Stapylton, Woongoolba, Ormeau, Yatala and places like that. This growth corridor is set to grow even more.

Over 75,000 people are calling Queensland home each year as they move into the area. At least 12,000 each year for the last four or five years, with no abatement, are calling the Gold Coast home. Frankly, it is not difficult to see why people would come to Queensland, and it is not difficult to see why the electorate of Fadden is the fastest growing one in the nation. Fadden is beautiful in all its variety. But with 12,000 new residents coming to the Gold Coast—and, I would say, at least half coming to Fadden—each year, something needs to be done in the forward projections with respect to government services. The public transport system is poor on the Gold Coast, no thanks to the Labor state government, which has been in power for 18 of the last 20 years. Routes tend to work well north and south but are no good east and west. With the price of fuel increasing it is difficult for people to get around, and ‘Foolwatch’ will actually make prices go up.

The government is adding four Medicare offices—according to what Senator Ludwig said last Thursday, 29 May, in the Senate Standing Committee on Finance and Public Administration—in Belmont, New South Wales; Belmont, Western Australia; Warrawong, New South Wales; and Emerald. Yet there is no indication yet of new Centrelink offices going in. I call the government’s attention to the fastest growing electorate in the nation. I call the government’s attention to the new Coomera town centre that is slated. Two consortia are currently moving to put a town centre in. It will become the commercial, financial, shopping and social hub for the fastest growing collection of people moving into an area anywhere in the country. If there was ever an argument for government services to go into a new area to support and service the fastest growing rate of people moving to an area, there is no doubt, and it is absolutely undeniable, that Fadden would win the argument hands down. I call on the government to move within the forward estimates to plan a Centrelink and associated services office in the Coomera town centre, in the middle of Fadden, to account for and to service the growing population in the area.

Mr Vlastik Skvaril

Mr SIDEBOTTOM (Braddon) (12.38 pm)—I would like to talk about a remarkable man from my electorate of Braddon—some would say unique. In fact, he describes himself as ‘crazy’, and I describe him as the veritable Forrest Gump of Braddon. The people of Tasmania and the nation generally, particularly families dealing with cancer, owe a huge debt of gratitude to Vlastik Skvaril. A Czech immigrant and a renowned cheese maker at Lactos in
Burnie—I hope members get a chance to taste that beautiful cheese—Vlastik found, at the rather astute age of 57, an unquenchable thirst to run. While I recently reached the same age and have been doing my fair share of walking for fitness, Vlastik’s hobby has grown into an obsession which will soon see him run from one side of our continent to the other.

Like Forrest Gump, Vlastik became hooked on ultramarathons and has run at any opportunity. This includes competing in and completing the Spartathlon, a 246-kilometre run from Athens to Sparta where just one-third of runners complete the journey in the time limit. Not only did he complete the feat but he did it at a time of life when most people are contemplating taking up bridge, or lawn bowls for the more active.

He then used the drawing power of his remarkable running obsession to raise money for those less fortunate and began by making a ‘mere’ 349-kilometre trek from Burnie to Hobart, raising $10,000. I remember it well because I was happy to donate my nine-seater bus, which we called the ‘Sidmobile’ at the time, to assist his support crew during the trek on behalf of the Make-A-Wish foundation. The following year he bettered this with a 538-kilometre run from historic Woolnorth, in the far north-west of my electorate, across to Port Arthur in the far south-east, this time raising $15,000.

He also has a competitive streak, believe it or not. He broke the 48-hour world age track record by completing 278 kilometres during the first 48 hours in the Cliff Young Australian Six Day Race at Colac in 2005. He was also second overall, and the first Australian, in the Simpson Desert Race, which involved running over 380 kilometres in six days.

Vlastik obviously has plenty of time to think while he is running. He then set himself a target of running from the southernmost point of Tassie to the northern tip of mainland Australia, Cape York. I am pleased to report that he achieved this in 2007, raising $25,000 for Camp Quality.

Some thought this would be enough but, having gone from south to north, he decided he needed to complete the set. In July of this year he will set out to become the first Australian to run from the west coast of our continent to the east coast, in what has been dubbed the bay-to-bay solo charity run across Australia. His run will take him 5,768 kilometres from Shark Bay in Western Australia to Byron Bay in New South Wales, covering an average of 57 kilometres a day over 100 days. Through the effort, he hopes to raise $50,000 for CanTeen, the organisation for young people living with cancer. Vlastik says he is inspired to run by the young people he meets who live every day with cancer and still get so much out of life. With six grandchildren of his own, all very healthy, he says he has great sympathy for people who have to deal with sickness in their own families and wants to do what he can to help others. He also says he wants to show people that you are never too old if you put your mind to it. He will celebrate his 69th birthday while on the west-to-east run.

This remarkable man is sure his body will last the journey, but he is not so confident that his 25-year-old campervan will do the same. Unfortunately, I cannot lend him the ‘Sidmobile’—that went with my seat—but we are there to support him. His long-suffering wife, Josefa, will be behind the wheel as always. She did this during his previous adventures and will no doubt keep doing it for the duration of another huge trek. Vlastik is full of praise for his wife, who he says is the real hero. He says Josefa makes it all possible by putting up with him and his crazy ideas. The couple will also mark their 47th wedding anniversary during the run.
He has already begun his fundraising and he is combining this with his training at shopping centres and other events on a treadmill to promote the bigger run. He will commence the run on 20 July and is expecting to finish it on 27 October. Members, if Vlastik is running through your electorates, do go and say hello. It is not often that you meet a real-life Braddon Forest Gump. I respect him very much.

Maranoa Electorate: Wheat Industry

Mr BRUCE SCOTT (Maranoa) (12.43 pm)—Today I rise to represent the views of the families and communities in my electorate of Maranoa who have long been part of Australia’s wheat-growing industry. They are disappointed with the Labor government, particularly the Minister for Agriculture, Fisheries and Forestry and the Prime Minister, and their undemocratic approach to ramming through legislation, particularly in relation to the wheat industry, before this parliament rises at the end of June. There has not been sufficient time to debate this legislation. I am forced today to rise in this adjournment debate to make a contribution and also speak on behalf of my constituent wheat growers in Maranoa.

I am very proud of the contributions that have been made by people in the electorate of Maranoa to this great Australian industry. In fact, three of the last four chairmen of the Australian Wheat Board—the late Les Price, Clinton Condon and the current serving chairman of the Australian Wheat Board, Brendan Stewart—are still growing or have grown wheat in my electorate. I salute their contribution to this great Australian industry, their steering of the industry over many decades through very difficult times and also their negotiating of opportunities into corrupt world markets.

The government clearly has not listened to what Australian wheat growers want. Polls conducted across the length and breadth of the wheat industry show that 80 per cent of wheat growers support a grower owned and controlled single-desk arrangement. This arrangement would have and has in the past maximised returns for Australian wheat growers families. Wheat growers of Australia have for decades had to sell into corrupt wheat markets in the international arena. Very little has changed. The other major countries as producers such as the United States and Europe still subsidise their domestic production of wheat, distorting international prices and the supply and demand signals.

While the coalition was in government negotiating with WTO through the Doha Round, these major wheat subsidising countries always wanted Australia to end the single-desk arrangements. We as a coalition always held out against that because we were not prepared to give away a very significant bargaining chip while those countries would not reform their own production and get rid of their subsidising and distorting ways of producing wheat in their countries. Unlike the previous National-Liberal government—we represent the majority of wheat farmers—the Labor government is city-centric and it is certainly ignorant judging its actions in relation to this bill of the needs of the bush. I have to say that the front bench is now dominated by ex-union officials, who I know through their mates blockaded many rural exports including the live sheep trade and prevented farmers from maximising their returns in relation to the sheep industry and the live sheep trade. We also know of their actions in relation to containers across the ports in the past. So that is one of the major problems that the wheat industry is going to have to confront in the future whilst this front bench is dominate by ex-union officials.
The other thing that concerns me is that this government has committed some $1.15 million to conduct so-called information sessions to inform growers of these far-ranging and also historic changes. How pathetic. We have a Prime Minister who has recently announced $16 million to support the football federation’s bid for the 2018 World Cup soccer—$16 million for something that might happen in 2018 or 2020 and $1.5 million to provide information to the wheat industry of Australia, which provides some $3 billion to $4 billion annually in export income and jobs right across rural and regional Australia. What a pathetic effort from a minister and a Labor government—pathetic.

Can I just say, not only are Australian wheat farmers generous; they are also smart. They are dedicated to doing what they do best. I am proud I represent these people. This arrogant and out-of-touch city-centric government has failed to listen to what wheat growers want, which is a grower-owned single desk. That was their first choice and they voted that way.

Also, I am proud that in my own electorate of Maranoa next week we are going to see the Coggan family of Meandarra raising money for heart and lung transplant research. They hope to establish a record for the Guinness Book of Records by planting in one hour with one tractor what would have been planted in one day with one tractor. I am looking forward to hopefully being able to join them when they set that new record. (Time expired)

Blaxland Electorate: Cabramatta Public School

Mr CLARE (Blaxland) (12.48 pm)—I rise today to speak about some little people in my electorate with big dreams. Two weeks ago I went back to my old primary school, Cabramatta Public, for Return to School Day. I shared the stage that day with three other former students—a teacher, a police officer and a high school captain. The school seemed a lot bigger when I was 10 years old. Looking down from the stage, I saw one of my former teachers, Mrs Fry.

Cabramatta Public School is one of those hidden gems of the public education system. The kids are smart and the teachers are dedicated. Many teachers are wary when they are posted there and then they fall in love with the place and never want to leave. I told the boys and girls that children from Western Sydney can achieve as much as anyone else, and that public education gives them that opportunity. They prove that every day—and they proved that to me. Eighty per cent of the children starting kindergarten at Cabramatta Public School speak little or no English and few can spell their name. But within three years their literacy and numeracy skills are at or above the state average.

The students showed me a DVD they produced about the story of Vincent Lingiari and the Gurindji people. It told of their struggle, their fight and their victory. It told us that ‘from little things big things grow’. It was very moving. Students from year 6 re-enacted the story told by Kev Carmody and Paul Kelly. None of the children are Aboriginal; many are of Asian heritage—far removed from the struggles of Vincent Lingiari and his people. The song goes:

… a tall stranger appeared in the land
And he came with lawyers and he came with great ceremony
And through Vincent’s fingers poured a handful of sand
The man who poured the sand through Vincent’s fingers was the same man who helped pour the concrete that built Cabramatta Public School. In fact, he lived around the corner in Albert Street. Two of his children went to the school and his wife volunteered in the canteen. His
name was Gough Whitlam. He did great things for Aboriginal Australia. And he did great 
things for Cabramatta. He officially opened the new school the year I started kindergarten, 
and he is still a regular visitor to Cabramatta today. He helped realise the hopes and dreams of 
two groups of people: the hopes and dreams of Vincent Lingiari and his people, and the hopes 
and dreams of those seeking to come to our shores for a better life.

Under Gough Whitlam, the Labor Party ended the White Australia policy. People seeking 
refuge from countries like Vietnam, Laos and Cambodia were given equal access to Austra-
lia’s shores. He sowed the seed of hope for these people, many refugees who have made 
Cabramatta their home. He sowed the seeds for them to grow bigger dreams—a dream for 
something more, for something better, for greater opportunities for their own children.

The children of Cabramatta Public School are the embodiment of the humble hope of their 
parents and grandparents. As Kev Carmody and Paul Kelly tell it:
That was the story of Vincent Lingiari
But this is the story of something much more
It is also the story of the children behind the DVD. With the help of their inspired teacher, 
Adam Williams, this group of 11- and 12-year olds interpreted the lyrics, developed the 
theme, researched, directed and acted out the story, organised the props and worked on the 
editing. These children may never meet any of the Gurindji people. They may never visit the 
Northern Territory’s Victoria River District. But they know about the Wave Hill Walk-Off, 
they know what Vincent Lingiari achieved and they know that from little things big things 
grow.

It was Gough Whitlam who heard the chorus of hopes and dreams from Vincent Lingiari 
and those from Asia who wanted to come to Australia. And it was Gough Whitlam who made 
both stories possible. The children of Cabramatta Public School honour him. They have much 
to be proud of and they do much to make us proud. The name of the song is ‘From little things 
big things grow’. It is a message with much meaning for the children of my old primary 
school. And it is a message with meaning for us here too.

Mr LINDSAY (Herbert) (12.53 pm)—Yesterday in Senate estimates the Chief of the De-
fence Force made it clear that he was intending to extend the length of deployments that Aus-
tralia currently makes with its overseas forces. Currently, deployments are typically six 
months for members of the Army and some units in the RAAF. But, for special forces and 
some units in the RAAF, the deployments are four months. Men and women of the ADF 
would prefer shorter deployments, but there are very good reasons why the Chief of the De-
fence Force indicated that he intends to extend deployments from six months, typically, to 
eight months.

As I represent Australia’s largest Army base, in Townsville, and the men and women of the 
ADF at the Royal Australian Air Force at RAAF Townsville, I have done some looking into 
this and I think that there is a case to be made for the chief to also extend the out-of-country 
leave that is currently provided. At the moment, for a six-month deployment, in the middle of 
the deployment, men and women of the ADF get to come back to Australia for about 10 days. 
There is a bit of travel time on that either side as well, and it depends on whether or not the 
aircraft are flying as to what it actually turns out to be. But I am advised that it would be rela-
It is relatively easy to extend the out-of-country leave by another five days to allow the ADF members to have more time with their families when they come back to Australia and to do it without disruption to the mission that they are on.

If deployments were to go back to four months—the mission rehearsal exercises would still have to be performed, all of the training would still have to be done—it would make it very impractical, I believe, and I think the commanders and the soldiers know this. But there is a bonus in all of this. In extending the deployments to eight months, the chief has guaranteed that the time back at home between deployments will be extended to 16 months. This gives the men and women of the ADF more time for training and more time for promotion courses and the like, and more time with their families back home. So I ask the senior leadership of the ADF to consider extending the out-of-country leave by another five days. I think that would be very much appreciated by the men and women of the ADF but also by their families.

I am also very pleased to see the expansion of the Wideband Global Satellite Communications capability for the ADF. Under the previous government, arrangements were made with our allies in the United States to participate in a six-satellite wideband system around the world. Currently, as those of you who have been on placement with the ADF on parliamentary attachments will know, in some locations the bandwidth is extremely tiny. On some ships at sea and some bases, you get dial-up speeds, and generation Y, gen-Y, finds that it cannot do its university courses when it is deployed overseas, for example, because things are just much too slow. This new satellite system, the Wideband Global Satellite Communications system will add much more bandwidth for our forces who are on deployment. Access to the capability will also enable the next generation of military capability such as air warfare destroyers, amphibious ships, multimission unmanned aerial vehicles and land patrol platforms to operate in a network-centric environment. Of course, this partnership further strengthens the Australia-US alliance and it will enhance the interoperability between Australia and US defence forces.

Finally, Mr Deputy Speaker, I would just like to alert you to something that appeared on a small explanation statement that I had, and this came from AXA. On the back, it said ‘here’s the detail of the account activity’ and ‘investment earnings for the last 12 months, $1,274.65’, but it was in the deductions column. This was a loss. I think this is an attempt to cover up the fact that the funds are losing money and I think it should be put up for what it was—a loss.

*(Time expired)*

**Bali Nine**

Mr *Perrett* (Moreton) (12.58 pm)—I regret to inform the House that when I was younger I broke into a school, or at least I attempted to. Hopefully this confession will not generate too much interest from the Queensland Police Service or the members opposite. The attempted break-in occurred about 35 years ago when I was in grade 3 or grade 4 at St Patrick’s Catholic Primary School in St George, in south-west Queensland. I recall that the intended break-in target was colouring-in pencils and I was not alone in planning this crime. My accomplices, who I will not name here, and I were caught in the act by Sister Leonard. So the great heist was a stupid decision and we were caught red-handed. I think Sister Leonard has since forgiven my transgression. Coincidentally, she has ended up living a few doors up the road from me, even though 600 kilometres east, and she often gives me communion at mass.
on the weekend. But, back in the early 1970s, after she foiled our weekend transgression, Sister Leonard told the head nun all about our crime, and my partners in crime and I received a stern talking-to from the principal and our parents.

This Easter, the Easter just gone, I returned to St Patrick’s in St George for the 75th anniversary of the school. Thankfully my criminal past was not an issue. In fact, I was fortunate enough to be the master of ceremonies at the reunion dinner. The fabulous sisters of St Patrick’s had forgiven or forgotten—I am not sure which—my stupid action. But at the time I tried to break into St Patrick’s school I was perhaps a little troubled. My father had run off with another woman and left my mother to raise a tribe of kids by herself. Most days, my siblings and I would see our father drive past our home on his way to work and he would have the children from his new family with him; that was tough. Such an experience might have made me bitter and facilitated me running even further off the rails than I did, but I did not.

I tell this story about my criminal past for the benefit of two of my constituents, Lee and Chris. Lee and Chris also had a son who went to a Catholic school. I hasten to add that the big difference is that Lee and Chris stayed together and provided their son with a warm, loving family environment. Like every good parent, they nurtured, loved and had high aspirations for their son. Like me, Lee and Chris’s boy probably made many smaller, stupid decisions, but, knowing how way leads on to way, their boy eventually ended up being arrested at Ngurah Rai Airport on 17 April 2005. I remember that day well because it is the day my son was born.

Scott Anthony Rush was 19 when he was arrested carrying 1.3 kilograms of heroin. My son is now three. So Chris and Lee’s son, one of the Bali nine, has spent all of my son’s life in jail. On each of my son Stan’s birthdays, Lee and Chris’s son, their boy, has been able to regret his stupid decision. In fact, I am sure Scott has regretted his behaviour every single day that he has been in jail. Lee and Chris assure me that their son is sorry for the harm he would have caused had he successfully slipped through Customs with the drugs. I have read Scott’s webpage comments where he apologises to the people of Australia and, most importantly, he apologises to the people of Indonesia.

Scott Anthony Rush had his sentence upgraded to the death penalty in February 2006. I am speaking up about Lee and Chris’s son because a petition with 1,332 signatures was submitted to the parliament by the former member for Moreton, but unfortunately the document did not meet the requirements that enabled it to be tabled as a petition. So instead I am here to speak about this document in the hope that the Indonesian government and, most importantly, President Susilo Bambang Yudhoyono will hear my plea on behalf of all of the people who signed this document to have Scott’s death sentence commuted. I have been ably assisted in this call for commutation, or forgiveness, by the efforts of Solomon Sabdia from the Islamic Council of Queensland, and I thank him again for his representations on Lee and Chris’s behalf.

I do not wish to cause any offence by speaking up in the hope that Lee and Chris’s son—their boy—will be shown pity by President Susilo Bambang Yudhoyono. The mercy I humbly seek is that this young boy who made a very stupid decision be taken off death row. I beg, I plead, I implore, I request, please, please, please—and excuse my Bahasa pronunciation—silahkan, silahkan, silahkan, please, please, please, take this poor boy off death row.

Question agreed to.

Main Committee adjourned at 1.03 pm

MAIN COMMITTEE
QUESTIONS IN WRITING

Joint Defence Facility Pine Gap
(Question No. 102)

Mr Melham asked the Minister for Defence, in writing, on 14 May 2008:
In respect of the Joint Defence Facility Pine Gap (JDFPG): (a) do any agreements, arrangements or understandings exist between the Australian and United States Governments concerning public statements about the role and operations of the JDFPG; if so, (i) what are the broad terms, and (ii) when was it concluded between the Australian and United States Governments; and (b) were any such arrangements originally incorporated into a classified document that was signed in Washington on 31 July 1976.

Mr Fitzgibbon—The answer to the honourable member’s question is as follows:
(a) Yes.
   (i) It is agreed practice that partners are consulted before the public release of new information relating to sensitive joint facilities or classified information communicated in confidence.
   (ii) Such practice is incorporated in a number of arrangements.

(b) The Australian Government does not comment publicly on the contents of individual classified documents.