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SITTING DAYS—2008

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>12, 13, 14, 18, 19, 20, 21, 22</td>
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<td>March</td>
<td>11, 12, 13, 17, 18, 19, 20</td>
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<td>May</td>
<td>13, 14, 15, 26, 27, 28, 29</td>
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<td>June</td>
<td>2, 3, 4, 5, 16, 17, 18, 19, 23, 24, 25, 26</td>
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<td>August</td>
<td>26, 27, 28</td>
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<td>September</td>
<td>1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25</td>
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<td>October</td>
<td>13, 14, 15, 16, 20, 21, 22, 23</td>
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<tr>
<td>November</td>
<td>10, 11, 12, 13, 24, 25, 26, 27</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
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</table>

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ADELAIDE 972 AM
PERTH 585 AM
HOBART 747 AM
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FORTY-SECOND PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
His Excellency Major General Michael Jeffery, Companion in the Order of Australia, Com-
mmander 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—Honor. 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 Georg-
egas MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John
Schultz MP, Mr Patrick Damien Secker MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil
Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm
James Washer MP

Leader of the House—Honor. Anthony Norman Albanese MP
Deputy Leader of the House—Honor. Stephen Francis Smith MP
Manager of Opposition Business—Honor. 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—Honor. Julia Eileen Gillard MP
Chief Government Whip—Honor. Leo Roger Spurway Price MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

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

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

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## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
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<td>Adams, Hon. Dick Godfrey Harry</td>
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</tbody>
</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
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<tbody>
<tr>
<td>George, Jennie</td>
<td>Throsby, NSW</td>
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<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, Vic</td>
<td>LP</td>
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<td>Swan, WA</td>
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<td>Hasluck, WA</td>
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<td>Scullin, Vic</td>
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<td>Denison, Tas</td>
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<td>Ballarat, Vic</td>
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# Members of the House of Representatives

<table>
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<th>Members</th>
<th>Division</th>
<th>Party</th>
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<tbody>
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<td>Canning, WA</td>
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<tr>
<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
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<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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# Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
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<tbody>
<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
<td>LP</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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**PARTY ABBREVIATIONS**

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

## Heads of Parliamentary Departments

- Clerk of the Senate—H Evans
- Clerk of the House of Representatives—IC Harris AO
- Secretary, Department of Parliamentary Services—A Thompson
**RUDD MINISTRY**

<table>
<thead>
<tr>
<th>Role</th>
<th>Minister</th>
</tr>
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<tbody>
<tr>
<td>Prime Minister</td>
<td>Hon. Kevin Rudd, MP</td>
</tr>
<tr>
<td>Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion</td>
<td>Hon. Julia Gillard, MP</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Immigration and Citizenship and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
</tr>
<tr>
<td>Special Minister of State, Cabinet Secretary and Vice President of the Executive Council</td>
<td>Senator Hon. John Faulkner</td>
</tr>
<tr>
<td>Minister for Finance and Deregulation</td>
<td>Hon. Lindsay Tanner MP</td>
</tr>
<tr>
<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Stephen Smith MP</td>
</tr>
<tr>
<td>Minister for Defence</td>
<td>Hon. Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<tr>
<td>Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<tr>
<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
</tr>
<tr>
<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<tr>
<td>Minister for Climate Change and Water</td>
<td>Senator Hon. Penny Wong</td>
</tr>
<tr>
<td>Minister for the Environment, Heritage and the Arts Attorney-General</td>
<td>Hon. Peter Garrett AM, MP</td>
</tr>
<tr>
<td>Minister for Human Services and Manager of Government Business in the Senate</td>
<td>Hon. Robert McClelland MP</td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Tony Burke MP</td>
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<td></td>
<td>Hon. Martin Ferguson AM, MP</td>
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[The above ministers constitute the cabinet]
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<tr>
<th>Minister for Home Affairs</th>
<th>Hon. Bob Debus MP</th>
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<tr>
<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<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>
</tr>
<tr>
<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<tr>
<td>Minister for Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
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<tr>
<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
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<tr>
<td>Parliamentary Secretary for Defence Procurement</td>
<td>Hon. Greg Combet AM, MP</td>
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<tr>
<td>Parliamentary Secretary for Defence Support</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<tr>
<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>Hon. Bill Shorten MP</td>
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<tr>
<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Anthony Byrne MP</td>
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<tr>
<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Trade</td>
<td>Hon. John Murphy MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>Senator Hon. Jan McLucas</td>
</tr>
<tr>
<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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## SHADOW MINISTRY

<table>
<thead>
<tr>
<th>Position</th>
<th>Member</th>
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<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>Hon. Brendan Nelson MP</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>
</tr>
<tr>
<td>Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government</td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for Defence</td>
<td>Senator Hon. Nick Minchin</td>
</tr>
<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>
</tr>
<tr>
<td>Shadow Treasurer</td>
<td>Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Manager of Opposition Business in the House and Shadow Minister for Health and Ageing</td>
<td>Hon. Joe Hockey MP</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs</td>
<td>Hon. Andrew Robb MP</td>
</tr>
<tr>
<td>Shadow Minister for Trade</td>
<td>Hon. Ian Macfarlane MP</td>
</tr>
<tr>
<td>Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector</td>
<td>Hon. Tony Abbott MP</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator Hon. Helen Coonan</td>
</tr>
<tr>
<td>Shadow Minister for Education, Apprenticeships and Training</td>
<td>Hon. Tony Smith MP</td>
</tr>
<tr>
<td>Shadow Minister for Climate Change, Environment and Urban Water</td>
<td>Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
<td>Hon. Peter Dutton MP</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>
</tr>
<tr>
<td>Shadow Minister for Broadband, Communications and the Digital Economy</td>
<td>Hon. Bruce Billson MP</td>
</tr>
<tr>
<td>Shadow Attorney-General</td>
<td>Senator Hon. George Brandis</td>
</tr>
<tr>
<td>Shadow Minister for Resources and Energy and Shadow Minister for Tourism</td>
<td>Senator Hon. David Johnston</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development, Water Security</td>
<td>Hon. John Cobb MP</td>
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[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 and 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 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
| CONTENTS |

**TUESDAY, 2 SEPTEMBER**

**Chamber**

Questions Without Notice—
- Calare Electorate: Employment ................................................................. 6845
- Economy ........................................................................................................... 6846

Distinguished Visitors ......................................................................................... 6848

Questions Without Notice—
- Economy ........................................................................................................... 6848
- Economy ........................................................................................................... 6850
- Economy ........................................................................................................... 6851
- Interest Rates .................................................................................................... 6853
- Interest Rates .................................................................................................... 6854
- Interest Rates .................................................................................................... 6855
- Interest Rates .................................................................................................... 6856
- Budget ................................................................................................................ 6857
- Economy ........................................................................................................... 6859
- Education .......................................................................................................... 6859
- Budget Surplus .................................................................................................. 6861
- Climate Change ................................................................................................. 6861
- Budget ................................................................................................................ 6863
- Climate Change ................................................................................................. 6865
- Water ................................................................................................................ 6866
- Child Abuse ...................................................................................................... 6868
- Rudd Government .............................................................................................. 6869
- Employment ...................................................................................................... 6870

Questions to the Speaker—
- Standing Orders ............................................................................................... 6871
- Question Time .................................................................................................... 6872
- Points of Order .................................................................................................. 6872

Documents ........................................................................................................... 6872

Ministerial Statements—
- Intercountry Adoption ..................................................................................... 6872

Main Committee—
- Ministerial Statement: Intercountry Adoption—Reference .............................. 6878

Matters of Public Importance—
- Economy ........................................................................................................... 6878

Tax Laws Amendment (2008 Measures No. 3) Bill 2008—
- Returned from the Senate ................................................................................ 6893

Committees—
- Public Works Committee—Report .................................................................. 6893
- Offshore Petroleum Amendment (Datum) Bill 2008 ............................................. 6893
- International Tax Agreements Amendment Bill (No. 1) 2008—
  - Referred to Main Committee ......................................................................... 6893

Families, Housing, Community Services and Indigenous Affairs and Other
Legislation Amendment (Emergency Response Consolidation) Bill 2008—
- Second Reading ............................................................................................... 6894
- Consideration in Detail ..................................................................................... 6894
- Third Reading .................................................................................................... 6902
CONTENTS—continued

Horse Disease Response Levy Bill 2008,
Horse Disease Response Levy Collection Bill 2008 and
Horse Disease Response Levy (Consequential Amendments) Bill 2008—
Second Reading.............................................................................................................. 6902
Adjournment—
Cook Electorate: Gweagal Boomerang ................................................................. 6937
Interest Rates ................................................................................................................. 6939
Petition: ABC Radio Service in Nannup ................................................................... 6940
Budget ............................................................................................................................ 6941
Able Seaman Thomas William Aldridge ................................................................. 6943
Economy ......................................................................................................................... 6944

Questions In Writing
Employment Services—(Question No. 203) ............................................................... 6946
Housing Affordability—(Question No. 205) ............................................................... 6946
Tuesday, 2 September 2008

The SPEAKER (Mr Harry Jenkins) took the chair at 2.00 pm and read prayers.

QUESTIONS WITHOUT NOTICE
Calare Electorate: Employment

Mr JOHN COBB (2.01 pm)—My question is to the Prime Minister. I refer the Prime Minister to the 200 jobs lost at CBH Resources and the 40 jobs lost at Tip Top bakery in my electorate of Calare. Can the Prime Minister inform the House how many more jobs are due to be lost in my electorate in the next 12 months?

Mr RUDD—As the honourable member would be aware, in the government’s budget forecast we projected that the unemployment rate in Australia would rise to 4.75 per cent in 2008-09. We understand that many businesses across Australia are doing it tough and that is why the government believes it is important to prosecute a strategy of responsible economic management. We intend to do that, because one of the greatest obstacles which businesses face across the country is access to affordable credit. If you look at the challenges which many businesses have had in securing not just lines of credit but also affordable credit, it has been a real challenge out there, as it has been for Australian households. That is why, if you have been operating as a business with lines of credit and you have faced real challenges with 10 interest rate rises in a row on the part of the monetary policy settings of Australia during the period when those opposite were in office, the cumulative effect of that in terms of your interest rate bill is very significant indeed. Therefore, the most responsible course of action that governments can take through fiscal policy is to make sure that you are lining up your fiscal policy direction with your monetary policy direction so that you create an environment whereby the Reserve Bank of Australia has an easier time when it comes to bringing down interest rates. That is what this government has been doing. We stand by the responsible economic management approach which we adopted through the budget—anchored in a $22 billion budget surplus—and its organising principle, in large measure, was to put downward pressure on inflation and downward pressure on interest rates.

I say to the honourable member, in relation to both businesses in his electorate and businesses operating in all electorates across the country, that one of the core responsibilities we as a government have in pursuing budget policy is to make sure that we provide maximum room for the Reserve Bank of Australia to bring interest rates down. That is what we have sought to do through the budget. This is, however, simply the first step. We have an important series of economic policy decisions which lie ahead, but the overriding discipline is to make sure that the businesses in Australia have the best possible set of arrangements when it comes to their credit facilities with their financial institutions and what they are charged by way of interest rates.

The second thing I say to the honourable member is this: when any employee is faced with the challenge of unemployment or redundancy, one of the key questions they ask is, ‘What are the industrial relations conditions under which I am employed?’ I am not familiar with those circumstances which pertain to the businesses which the honourable member refers to, but can I say to the honourable member that one of the things which were part and parcel of the industrial relations system which he supported in the parliament when he was on this side of the chamber was Work Choices, and one of the features of Work Choices was an ability for employers to strip out redundancy arrangements without a cent of compensation.
Mr Hockey—Mr Speaker, on a point of order: not only has the Prime Minister got his facts wrong on the answer he is giving but he is not actually answering the question. The question was very specific: how many jobs are going to be lost in the member for Calare’s electorate over the next 12 months? Simple.

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

Mr Rudd—On the question of redundancy entitlements, for any employee losing their job, one of the first questions which an employee asks in those circumstances is, ‘What protection do I have?’ Under Work Choices, those protections were systematically stripped away, which is why this government has said that it has been elected on a platform to abolish Work Choices and to abolish the capacity of firms to make AWAs into the future. That is what we have set out to do. We think that is an important element for all workers across Australia, particularly as they and their businesses negotiate difficult economic times. So my answer to the honourable member is: responsible economic management to ensure that we have maximum downward pressure on inflation and downward pressure on interest rates, because the affordability of capital affects both households and businesses and, therefore, the ability of businesses to employ and to grow; and, secondly, to make sure we have a fair and flexible industrial relations system for those employees who find themselves in a difficult situation and to make sure that we have a set of industrial relations laws which provides those employees at least with a right to redundancy. And that is what this government stands for.

Economy

Mr Cheeseeman (2.06 pm)—My question is to the Prime Minister. Will the Prime Minister outline why, after 12 years of neglect, Australia needs to embark upon a new era of nation building?

Mr Rudd—If we look at the challenges facing the Australian economy at present, the global economic circumstances are difficult. We have a global financial crisis, we have significant falls on global stock markets and we also have a huge spike in global oil prices and food prices. All of these factors are affecting the state of the global economy, which is why five of the world’s top seven industrial economies have already generated negative growth in the last quarter or so. In Australia, our challenges are compounded by the record of the today absent member for Higgins as Treasurer of Australia. He is possibly out to lunch. Alex is not here anymore, so perhaps there is not a luncheon partner available.

The record of the member for Higgins in this respect is that, in the period when those opposite were in government, we experienced 10 interest rate rises in a row. This meant that, by the time we won office at the end of last year, Australians were paying interest rates which were the second highest in the developed world. Although those opposite do not want to hear this, the consequence of those interest rate rises resulted in the Liberals providing a $400-a-month interest rate hike for working families. Our response to that is responsible economic management. Our response to that is to ensure that we are prosecuting a national program of economic reform based on an education revolution, on building the nation’s infrastructure and on assisting working families, pensioners and carers on the way through with a package of payments. Some $55 billion for working families and $7.5 billion for pensioners and carers have been provided through the budget.

The honourable member asked specifically about one element of our economic
strategy, and that goes to nation building. I would draw the attention of honourable members opposite to the figures which were released by the ABS last week which show that new capital spending in Australia hit a record $86.4 billion for the last financial year to June 2008. This is the highest final capex figure on record, and it shows an increase of 11.4 per cent from 2006 to 2007. I say to those opposite to also focus on this number, though it may not suit their current economic and political narrative, which is that the ABS has forecast capital expenditure—

Mr Rudd—This is for those opposite who are interested in talking the economy down—such as the honourable member who is currently interjecting. The ABS has forecast capital expenditure for the current financial year to rise by $99.75 billion. That is nearly $100 billion. This is the highest forecast on record. These are good figures for the Australian economy, particularly given the challenges which the economy is facing globally.

The honourable member referred to facts concerning his own electorate, and I respect the accuracy of what he has put forward today. Let me also put on the record some other facts which relate to capital projects underway across Australia. IBM has announced that it will set up a $10.8 million IT services centre at the Ballarat technology park, creating 300 new jobs in that city. In June, glass bottle maker Amcor announced a major expansion of the company’s manufacturing facility in Gawler. Amcor will invest $150 million to build a third furnace at that facility to increase capacity by up to 50 per cent. The port and rail infrastructure contract at Oakajee has been awarded an estimated investment of $3 billion. Ausminerals has committed $1 billion to an investment at the Prominent Hill copper gold project in South Australia, which will create 850 construction jobs and about 450 ongoing jobs.

Mr Hockey interjecting—

Mr Rudd—The member for North Sydney says that these are all thought bubbles. I would ask the member for Sydney to go to each of those business leaders—

Mr Hockey—Mr Speaker, I rise on a point of order. I ask the Prime Minister if these events occurred at all on the election of the Rudd government. Of course, they are projects—

The Speaker—The member will resume his seat. He knows that a point of order is not an opportunity to ask a supplementary question.

Mr Rudd—Coming from the member for North Sydney, who, at the beginning of this year, deliberately embarked upon a strategy to talk the Australian economy down, I find that a remarkable intervention on behalf of those opposite. He should reflect carefully on the statements he made earlier this year before he makes an intervention like that. Of course, for those opposite, it makes for uncomfortable tidings when their political and economic narrative, to the extent that they have one, goes to one organising principle: how do you talk the Australian economy down?

We are saying that, if you look at the private sectors’ capital investment record for the year just concluded, the forecast for the year ahead is for some $100 billion worth of capital investment by private firms in Australia, including the four or five examples which I have just read out. This causes you to conclude that the Australian private sector is getting on with the business of expanding its operations, notwithstanding the challenges which currently exist. The Commonwealth Bank’s chief economist, Michael Blythe, said that the capex data demonstrates:
... that the changes to business confidence and the slowdown in the first half of the year and concerns about the global credit crunch haven’t dented the positive story for Australia.

Of course, that does not fit the scenario which those opposite wish to construct. That is what the private sector is doing. We on this side of the House are a party and a government of nation building. We believe that we have a responsibility to partner with the private sector in building the nation. Those opposite—and how many times did we hear this from the member for Higgins when he was Treasurer of Australia—have no place, no role whatsoever, out there building the nation’s infrastructure. I remember one famous intervention when there was a debate in this place about whether urban water should be a legitimate product of national investment by the national government. What did the member for Higgins, the then Treasurer, say? He said: ‘Not my problem. Blame the states.’ It is always ‘blame the states’.

Our attitude is that the Australian people are fed up with one level of government blaming the other as to why the nation’s economic infrastructure is in such a poor state. Instead, they want the government of the nation to embark upon a rational investment strategy for the future. That is why our $76 billion nation-building program for the country will provide funds of $26 billion through AusLink 2 and $20 billion through the Building Australia Fund for transport, energy and water priorities. There will be $5 billion in a national broadband network. Those opposite would, I think, find it difficult to spell ‘broadband’, let alone construct one. We will invest $15 billion in education infrastructure through the Education Investment Fund and $11 billion through the health and hospitals infrastructure fund, which we have also created. This is a $76 billion plan for nation building. That is part of a strategy for Australia’s future. In this way, we are seeking to partner with the Australian private sector in building the nation. In this place, you can either choose to be shirkers like those opposite or you can get on with the business of building the nation. You can either lean on your shovel, as those opposite did for 12 years, or you can get on with the business of rolling up your sleeves and building the nation’s infrastructure.

Let me tell you that what we see through the capital expenditure data produced by the ABS is a private sector determined to get out there and build the nation’s infrastructure. We on this side of the House, the government, are determined to help build the nation’s infrastructure. We intend to do this road by road, port by port, cable by cable, university by university and trade skill by trade skill across the country, whereas those opposite simply have a script which says, ‘That’s not our problem.’ We say, for the nation, we intend to partner with the private sector in constructing the nation’s infrastructure. We are a government of nation building; those opposite have an excuse for inertia—inertia altogether.

DISTINGUISHED VISITORS

The SPEAKER (2.15 pm)—I inform the House that we have present in the gallery this afternoon the Deputy Speaker of the German Bundestag, Dr Wolfgang Thierse, and the Director-General Research and International Relations, Dr Urlick Scholer. On behalf of the House, I extend a very warm welcome to our visitors. I am sure that the welcome is as enthusiastic as the participation of members in question time.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr HAWKER (2.16 pm)—My question is also to the Prime Minister. I refer the
Prime Minister to the loss of 130 jobs at the sawmill in Dartmoor, in my electorate of Wannon. Can the Prime Minister inform the House how many more jobs are due to be lost in my electorate in the next 12 months?

Mr RUDD—As I indicated in my answer to the previous question and now indicate also to the member for Wannon, the government were upfront with the Australian people in the budget forecasts when we said that unemployment in the year ahead would rise to 4.75 per cent, because we do not believe in gilding the lily. There are problems out there which are the product of what has occurred in the global economy and there are problems which have occurred here in terms of the legacy that we have inherited from those opposite.

But, rather than simply bleating about it—as those opposite did for a long, long time—we have embarked upon a clear-cut economic strategy for the future. That is based on three principles: responsible economic management, a program of nation building and an agenda for an education revolution to deal with the challenges of education, skills and training. Also, we will not allow those who are finding it tough with cost-of-living pressures at present simply to fend for themselves but instead, through the budget, we will deliver a package of some $55 billion worth of support for working families and, on top of that, $7.5 billion for pensioners and carers.

I say this to the honourable member: there will be great challenges ahead, including for businesses and firms, right across the country. Australia as an economy is not immune from what is happening across the rest of the world. If you look, for example, at the economies of the United Kingdom, France, Germany, Italy, Japan and elsewhere, you will find either zero or negative growth in one of the quarters which have just preceded the present one and you will find a downwards revision in economic growth across the global economy. This seems to be the subject of considerable mirth on the part of those opposite. I would say to those affected by these global economic factors that this is, in fact, serious news.

The key thing, however—and I draw again the honourable member for Wannon’s attention to this—is having responsible economic management which creates the conditions necessary to enable the Reserve Bank greater flexibility to bring down interest rates; that is principle No. 1. Principle No. 2 is an industrial relations system which is fair and flexible so that those employees who find themselves in real difficulty know they have some basic and underlying protections through the industrial relations system of the country.

The member for Wannon voted for Work Choices—although he may have been Speaker at the time and perhaps he did not. Perhaps he is the single member of those sitting opposite who is exonerated from that responsibility; his party, however, cannot be. But the Work Choices legislation put in by those opposite was quite clear: 31 per cent of those on AWAs had their rest breaks taken away; 49 per cent had their overtime loadings taken away; and 63 per cent had incentive based payments and bonuses removed. But, as I said before, redundancy payments—which is the matter directly relevant to the debate which is being had—when people lost their jobs could be stripped away as an entitlement without any compensation under laws put in place by those opposite. They shake their heads in disbelief as though this were simply not the case.

Frankly, those opposite should hang their heads in shame for creating a set of industrial relations laws for this country which made it so difficult for working people in Australia.
under Work Choices to get fairness, including under difficult circumstances when the firms for which they worked could no longer continue.

Economy

Mr RAGUSE (2.19 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Minister, how is the government pursuing a nation-building agenda and are there any impediments to this strategy?

Mr ALBANESE—I thank the member for Forde for his question and I note his ongoing interest in infrastructure issues, including during a visit I had to his electorate looking at the area of South-East Queensland that is experiencing such extraordinary growth. Infrastructure is important, particularly in our growth regions; but it is important also because of the current economic context which the government faces. We are suffering from some severe economic challenges ahead, not only in terms of the global credit squeeze but also in terms of global increases in petrol prices. That is why infrastructure investment is critical. That is why the government has joined the nation-building agenda along with the private sector—as the Prime Minister has outlined, the private sector that is investing so much in infrastructure, as the capex that was released last week demonstrated.

Twenty-first-century nation building requires responsible economic management and it also requires a plan to deliver world-class infrastructure and to boost productivity. That is why we have put $41 billion into long-term nation-building funds: $20 billion into the Building Australia Fund, $11 billion into education infrastructure and $10 billion into health infrastructure. The $20 billion that has been put aside into the Building Australia Fund will provide for our long-term prosperity in rail, in ports, in roads and in broadband. That is on top of the $26 billion that we have committed to road and rail infrastructure projects, many of which we have brought forward in the budget. We have brought forward projects such as the Townsville port access road in the electorate of Herbert—and I am surprised that there is not some support for that. Certainly, my colleague the member for Dawson, when I visited there recently, was very supportive of the infrastructure agenda there and of potential major infrastructure projects in regional areas, such as at Abbot Point.

What we are doing is sitting down and working with the three sectors of government as well as working with the private sector on infrastructure projects, because the budget strategy was about delivering two things: firstly, putting downward pressure on inflation and interest rates by producing a $22 billion surplus; but, secondly, making sure that we put aside funds into long-term investment opportunities in order to secure our prosperity for the future. We know that when we invest in infrastructure, unlike one-off payments, it is not money that just goes; it is money that comes back. It comes back in the form of increased revenue in the future. It is an investment for the long term—an investment in our productivity.

We know that over the last 40 years productivity growth has accounted for more than 80 per cent of the improvement in Australia’s living standards—more than 80 per cent. But what did we see from those opposite? What we saw from those opposite was an attitude towards infrastructure investment that was, ‘The market will look after it by itself.’ There was no national leadership, no coordination, no work on harmonisation of guidelines, no work on enhancing public-private partnerships and no work on removing the impediments to investment in infrastructure from those opposite.
But of course you cannot put aside the surplus into long-term investment funds if you destroy the surplus. That is what we are seeing in the Senate from those opposite. Those opposite are prepared to rip $6.2 billion out of the surplus—$6.2 billion that will not be available for issues such as easing urban congestion in our cities, $6.2 billion that will not be available to deliver high-speed broadband, $6.2 billion that will not be available to improve public transport in our cities. These are all critical issues.

What Infrastructure Australia will do is produce an infrastructure priority list for the COAG meeting in March next year. Infrastructure Australia will guide investment to where it is needed most—to help parents get out of traffic jams and home to their kids, to get our exports to market without delay, to drive the digital revolution and bring the Australian economy into the 21st century, to make public transport a viable alternative to the car, to help Australia transition to a low-carbon economy and to give families the best possible education and health care. That is the government’s strategy, and it is one being opposed by those opposite, though not with an alternative—just opposition for opposition’s sake. There is no plan from those opposite, no alternative from those opposite—just opposition for opposition’s sake. They are opposing removing a 24-year-old start-up concession and opposing removing a rort that was introduced by them to draw a distinction between alcohol as to whether it is in straight spirits or it is mixed. They are opposed to removing that rort. One has to ask why that rort was introduced.

Our infrastructure record in the past is a proud Labor one. We are proud of our tradition as the nation-building party. That is our past and that is our future. In the budget we laid out how we are preparing the economy for the future, how we are creating the conditions for a decrease in inflation and interest rates and how we are increasing the prospects of our securing prosperity well beyond the mining boom.

**Economy**

Ms JULIE BISHOP (2.27 pm)—My question is to the Minister for Employment and Workplace Relations. What level of unemployment does the government believe will be required to bring down inflation?

Mr Tuckey—You’re pretty good on statistics!

Ms GILLARD—Thank you very much to the member for O’Connor and thank you very much to the Deputy Leader of the Opposition for her question. It follows some earlier questions to me in past question times about unemployment. As the Prime Minister has explained during the course of this question time, and as I have explained in earlier question times, the budget papers show that the budget parameter, the forecast, is that unemployment will move slightly to 4½ per cent during the course of this financial year.

As the Prime Minister has also made clear—

*Ms Julie Bishop interjecting—*

Ms GILLARD—I do find it quite remarkable that the Deputy Leader of the Opposition—indeed any member of the opposition—who supported Work Choices in this parliament would feign concern when workers lose their jobs.

Mr Hockey—Get into trouble, break glass! That’s what you do.

Ms GILLARD—You are responsible for Work Choices.

Mr Hockey—Why don’t you just answer the question?

Ms GILLARD—I am answering the question.

Mr Hockey interjecting—
Ms GILLARD—I know you don’t like your record being exposed, Joe, and your responsibility for Work Choices.

The SPEAKER—Order! The Deputy Prime Minister and the Manager of Opposition Business!

Ms Julie Bishop—Mr Speaker, I rise on a point of order. It was a very specific question: what level of unemployment does the government believe will be required to bring down inflation? If the Deputy Prime Minister cannot answer the question, she should—

The SPEAKER—Order! The Deputy Leader of the Opposition will resume her seat. The deputy leader has put her point of order. The Deputy Prime Minister will respond to the question. I will listen carefully.

Ms GILLARD—Thank you very much, Mr Speaker. Can I just say to members opposite: it does strike me as remarkable that they would feign concern about workers losing their jobs, when they presided over the introduction—

Ms Julie Bishop—Mr Speaker, I raise a point of order on relevance. The minister obviously has no idea. I ask her—

The SPEAKER—Order! The Deputy Leader of the Opposition will resume her seat. She has made her point of order.

Ms GILLARD—If I could finish my sentence: I know that the members opposite do not like to be reminded of their history of industrial relations extremism. The reason they do not like to be reminded of it is that they are still in the arms of industrial relations extremism and, if they ever had an opportunity to sit back over in the government benches in this parliament, we would not just see Work Choices back; we would see something worse back—

Opposition members interjecting—

The SPEAKER—Order! Those on my left will cease interjecting!

Ms GILLARD—because the Deputy Leader of the Opposition has made it abundantly clear that she believes in something—

The SPEAKER—Order! The Deputy Prime Minister will resume her seat. Has the Deputy Prime Minister concluded?

Mr Tuckey—Mr Speaker, on a point of order: people at risk of losing their jobs are entitled to know how many the government is going to sack.

The SPEAKER—The member for O’Connor will resume his seat. The invitation for a point of order is not an invitation to debate, and the member for O’Connor knows that full well. He should know it full well.

Ms GILLARD—Obviously, the members opposite do not like to be reminded of Work Choices and the fact that redundancy entitlements could be ripped off without the payment of a cent of compensation. I see that the member for Menzies, from the back, is still defending Work Choices, whilst the frontbench here actually believes in something worse now.

The SPEAKER—The Deputy Prime Minister will return to the question.

Ms GILLARD—On the question of current macroeconomic conditions—

Opposition members interjecting—

The SPEAKER—Order! Those on my left will cease interjecting. The Deputy Prime Minister will resume her seat. Those on my left, cease interjecting. The Deputy Prime Minister will answer the question.

Ms GILLARD—Thank you, Mr Speaker. I am looking forward to the opportunity to answer it.

Opposition members interjecting—

The SPEAKER—Order! Those on my left are not assisting.

Ms GILLARD—On the question of where we are with the Australian economy
and how that pertains to unemployment and inflation, it is clear and has been made clear by the Prime Minister and the Treasurer. Obviously, the Australian economy is not immune from global economic circumstances. They are feeding in domestically. They are certainly feeding in in terms of a slowdown in the economy. Secondly, of course, the economy is bearing the burden of 10 consecutive interest rate rises under the previous government.

Ms Julie Bishop—Mr Speaker, on a point of order: you directed her to answer the question. If the minister cannot answer the question, she should sit—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat! Again I repeat that the call for a point of order is not an invitation to enter into debate. The Deputy Prime Minister will conclude her answer.

Ms Gillard—I was asked about unemployment and inflation, and I am answering that question. Of course, the economy is showing the consequences of the 10 interest rate increases in a row that happened under the previous government. What this government is doing is putting downwards pressure on inflation through its budget settings. What we are also doing and what I know offends each and every member opposite is that we are ensuring that people have the benefit of fair and balanced industrial relations. We know that the introduction of the transition act that stopped the making of AWAs hurt members opposite because they supported Work Choices. We will give them an opportunity to show what they stand for at the end of this year, and I predict it will—

The SPEAKER—The Deputy Prime Minister will resume her seat. Has the Deputy Prime Minister finished?

Ms Gillard—Yes, I have.

Interest Rates

Ms Campbell (2.34 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on the Reserve Bank of Australia’s decision today on interest rates?

Mr Rudd—I can inform the parliament that the Reserve Bank of Australia has just announced that it will cut interest rates by 0.25 per cent. This, the first interest rate cut in seven years, will take the official cash rate down to seven per cent and will provide some modest relief to mortgage holders right across Australia. The government knows that there is still much, much more to be done in helping Australian families dealing with cost-of-living pressures.

For the average mortgage, today’s interest rate cut will put nearly $600 each year back into the family budget. I am advised that for 740,000 first-time buyers this will be the first time they have ever experienced an interest rate cut. The government expect the banks to pass on this rate cut because, given the high levels of profitability for Australia’s commercial banks, we believe that they have a responsibility to do so. If you pass on interest rate hikes, you have a responsibility also to pass on interest rate cuts.

This interest rate decision is welcome, but it is not a day for celebration. Interest rates took a long time to rise, and they will take a long time to come back down—and the road will be a very uneven one on the way through. That is why the government is committed to continuing a policy of responsible economic management designed to make it as easy as possible for the Reserve Bank in the future to reduce interest rates further.

I would add one final point. There will be more tough times ahead as we continue to battle the economic turbulence abroad and high inflation and interest rates at home. That
is why the government is absolutely committed and determined to prosecute its program of responsible economic management into the future—a program of long-term economic reform based on an education revolution, based on our reforms to infrastructure and based on our program of business deregulation—because the government is determined to steer the Australian economy through the difficult times which lie ahead.

**Interest Rates**

Dr NELSON (2.37 pm)—My question is to the Prime Minister. Prime Minister, is the government having Australians pay for this interest rate cut with their jobs?

Mr RUDD—I find it remarkable that the Leader of the Opposition seems not to welcome this cut in interest rates. I find that remarkable—Opposition members interjecting—

The SPEAKER—Order! The question has been asked.

Mr RUDD—To return to points raised by those opposite earlier today, there is this assumption that you cannot prosecute a strategy dealing with the long-term challenges of inflation at the same time as prosecuting a strategy which deals with the long-term challenges of employment. Those opposite seem to think that you can have one or the other. We believe we can prosecute a strategy for the long term which deals with the inflation challenges for the economy as well as the challenges for employment, education, skills and training. And that is very much at the heart of the government’s economic strategy.

I am surprised, however, given the Leader of the Opposition’s intervention in this debate today on interest rates, that we have a further evolution of the Nelson doctrine from yesterday. The Nelson doctrine yesterday I thought was a pretty remarkable one. It said essentially this: that, on the question of interest rates, Brendan will say one thing in opposition but—

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

Mr RUDD—he will do exactly the opposite in government. That is the articulated Nelson doctrine from yesterday. What he says in opposition he will now guarantee to do exactly the reverse of if in government. That is what he said yesterday. And the exchange yesterday, that memorable exchange on the doors, about his attitude to the Reserve Bank and providing them with instructions to cut official interest rates by 50 basis points, and his then turning round and saying, ‘Of course, if I were Prime Minister, I would not say that at all’—that is remarkable. There is one question I would pose to the Leader of the Opposition, and it is this: when does this Nelson doctrine end? If the Nelson doctrine is one which says, ‘What I say today on interest rates as Leader of the Opposition does not’—

Mr Hockey—Mr Speaker, I rise on a point of order. The Prime Minister was asked a very specific question about whether Australians are paying for this interest rate cut with their jobs. I ask the Prime Minister to take the question seriously and answer it.

The SPEAKER—Order! The Manager of Opposition Business will resume his seat. The Prime Minister is responding to the question. I will listen carefully to the answer.

Mr RUDD—in my answer to the question earlier on about inflation and employment, I responded with what the government’s strategy was in respect of both those propositions. On the question of the relationship between inflation and interest rates, that is what I am going to. We have spoken already about the government’s strategy for creating an environment to bring down inflationary pressures so that the Reserve Bank has more room to bring down interest rates, and I am
contrasting that with the position adopted by the Leader of the Opposition. The Nelson doctrine yesterday—

Ms Julie Bishop—Nobody asked you to.

Mr Rudd—Well, you may not have asked me to elaborate on the Nelson doctrine. I can understand why you may not have wanted to ask me to elaborate on the Nelson doctrine. But I intend to elaborate on the Nelson doctrine—

The Speaker—Order! The Prime Minister will—

Mr Rudd—because the Leader of the Opposition—

The Speaker—place his remarks through the chair and ignore the interjections. Interjectors will cease.

Mr Rudd—says, constantly, that he is the alternative Prime Minister of Australia. And what he has said is that, on interest rates—something so fundamental to households, to businesses, to the economy—the Nelson doctrine articulated yesterday is: ‘What I say as Leader of the Opposition, I will not say if I am Prime Minister of Australia.’ That is what it says. So my question to the Leader of the Opposition is: where does that leave his credibility—

The Speaker—Order! The Prime Minister will resume his seat.

Government members interjecting—

The Speaker—Order! Those on my right!

Mr Hockey—Mr Speaker, I rise on a point of order—again, on relevance. The Prime Minister is trivialising job losses—

The Speaker—Order! The member for North Sydney—

Mr Hockey—I ask him to answer the question he was asked.

The Speaker—will resume his seat. Order! The Prime Minister will respond to the question.

Mr Rudd—So, on inflation and on the challenges of employment, the government strategy is clear cut. We intend to prosecute a clear-headed strategy on both of those things for the future, because those opposite have not put forward any positive policies whatsoever. But why the member for North Sydney is so agitated on this is because this doctrine announced yesterday by the opposition has them in all sorts of trouble from here on in. When do we know that what the Leader of the Opposition says is suspended for the purposes of future policy credibility and accountability?

Mr Truss—Mr Speaker, I rise on a point of order. The Prime Minister’s comments are not relevant to the question that was asked, and I ask you to bring him to order.

The Speaker—Order! The Prime Minister will respond to the question, and—

Mr Rudd—Thank you very much, Mr Speaker. So, on these critical questions of employment and inflation, we have a clear-cut strategy for the future. Their strategy is this: what they say in opposition they will not commit to do in government. That is opportunism writ large.

Interest Rates

Mr Craig Thomson (2.42 pm)—My question is to the Treasurer. What does today’s decision by the RBA mean for families?

Mr Swan—I thank the member for his question, because this is certainly a decision that working families deserve. They are still doing it tough. They are certainly doing it tough. But a bit of relief is certainly welcome. So for the Reserve Bank to take this decision today is certainly very welcome—
although it does not seem to be supported by those on the other side.

Today’s cut by the Reserve Bank will put nearly $600 a year back into the hands of a family with an average mortgage. Families have waited a long time for this relief. This is the first interest rate cut by the Reserve Bank in seven years. Some 740,000 families have never known a decision by the Reserve Bank to cut rates. It has taken seven years. And, of course, we know why that is the case: because Australian families had to endure 10 interest rate rises in a row under those opposite, and that added something like $400 a month to the mortgage bill of an average person with a mortgage—$400 a month. That was certainly the legacy of the member for Higgins—one that those over there are continually in denial over.

I have made it very clear indeed that I expect the banks to pass on the cut announced by the Reserve Bank today in full and in a reasonable time. I have now had handed to me some of the information about what the banks intend to do in passing on this rate cut. The NAB will pass it on effective from Friday, 5 September, Westpac will pass it on effective from 4 September and the ANZ and the CBA will pass it on effective from 8 September. That is certainly going to be welcomed by many people out there. It will be welcome relief, but there is still so much more to do to take pressure off inflation and interest rates. I will quote from the first paragraph of the Reserve Bank’s statement today:

Inflation in Australia has been high over the past year in an environment of limited spare capacity and earlier strong growth in demand.

What is that talking about? It is talking about the 20 warnings that those opposite received from the Reserve Bank over a three-year period. It is talking about the need for nation building to solve capacity constraints in the economy. Of course, then there was the reckless spending by those opposite that the member for Higgins admitted to in the Howard biography. What we are going to do is put in place a responsible economic policy which deals with investment in the future through nation building and which puts in place a disciplined fiscal policy. I think you can tell that those opposite today do not really understand how tough families out there are doing it. For the Leader of the Opposition this is just some form of political opportunism. We have seen that in question time today. He wants to score a political point about this instead of welcoming this move. This is very welcome news for Australian families, very welcome news for the Australian economy, and it is good news that should be celebrated by all in this House.

Interest Rates

Mr Turnbull (2.47 pm)—My question is addressed to the Treasurer. I refer to the statement issued today by the Governor of the Reserve Bank, Glenn Stevens, which states:

...it is looking more likely that household demand will remain subdued and overall economic growth slow over the period ahead.

Is this the slowdown we had to have?

Mr Swan—I was talking before about the political opportunism and the stupidity of those opposite, and it is just so evident in that question. Why is the economy slowing? It is slowing under the weight of 10 interest rate rises in a row under those opposite—something they want to forget about. They do not want to admit to 10 interest rate rises in a row and the impact that is having on the growth prospects of this economy.

The member for Wentworth was on AM this morning and he pretended that there was no such thing as 10 interest rate rises in a row and that they could not have had any impact on domestic growth. Then he wanted to ignore the impact of global economic con-
ditions. He was pretending that the global oil price spike had not happened. No, there was no impact on inflation from that. He was pretending that global financial market turbulence is not pushing up borrowing rates for households and business. He was pretending that it has not had any impact on stock markets. It has had a big impact, and this government is dealing with it responsibly through a responsible fiscal policy—stopping their reckless spending and building a surplus, which they are now attacking in the Senate; putting in place the essential investment for nation building to solve those capacity constraints that have put upward pressure on inflation and interest rates. Of course, all they are worried about over there is their own individual leadership prospects. Plan A over there, the Leader of the Opposition, is just worried about what it will mean for his leadership.

Ms Julie Bishop—Mr Speaker, a point of order on relevance: this has nothing to do with the question that was asked and I please beg you to bring the Treasurer back to the question.

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. The question was a broad question and the answer has been broad so far. But I will listen carefully to the relevance of the rest of the answer.

Mr SWAN—It was a question about interest rates, it was a question about sustainable employment growth, it was a question about prosperity, and what stuns me in this House today is that we get such juvenile questions from the opposition. This is a very serious question. Plan A over there, the Leader of the Opposition, is just worried about what it means for his leadership. Plan B up the back, the member for Higgins—

Ms Julie Bishop—Mr Speaker, on a point of order: is that part of the answer relevant to the question?

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. I will be listening carefully to the answer. The Treasurer has the call.

Ms Julie Bishop—Mr Speaker—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat.

Mr SWAN—Plan B up the back, the member for Higgins, is worried how it will highlight his dreadful record when it comes to 10 interest rate rises in a row. Of course, we have Plan C, the member for Wentworth. He is smiling through gritted teeth.

The SPEAKER—The Treasurer will bring his answer to a close.

Mr SWAN—He is smiling through gritted teeth.

The SPEAKER—The Treasurer will conclude his answer.

Mr SWAN—Plan C is smiling through gritted teeth. Do you want to know why?

The SPEAKER—The Treasurer will resume his seat.

Mr Randall—Mr Speaker, it is obvious that my point of order is relevance, as has been previously brought to your attention.

The SPEAKER—The Treasurer will conclude his answer relevantly.

Mr SWAN—Certainly, Mr Speaker. Plan C over there said interest rates were over-dramatised.

The SPEAKER—The Treasurer will resume his seat. The Treasurer has resumed his seat. That is it.

Budget

Ms JACKSON (2.52 pm)—My question is to the Minister for Finance and Deregulation. How does the budget provide for future
generations and what challenges does the government face in maintaining its budget position?

Mr TANNER—The Rudd government is committed to building a modern Australia—to building for Australia’s long-term future. The 2008-09 budget makes provision for a total of $76 billion for long-term infrastructure investment in road, in rail, in ports, in water infrastructure, in broadband, in universities and in hospitals. Infrastructure is the sinew, the muscle, of our economy. If it is allowed to run down, the economy cannot run as fast. And run-down is precisely what infrastructure has been over the past decade. On 20 occasions the Reserve Bank warned that infrastructure incapacities and constraints were holding back the Australian economy. As a result, when we took office inflation was at a 16-year high and Australia had suffered 10 interest rate increases in a row. I would like to reiterate the quote that the Treasurer made from the statement that has just been released by the Reserve Bank Governor today; it makes very interesting reading. I quote:

Inflation in Australia has been high over the past year in an environment of limited spare capacity and earlier strong growth in demand.

You could not get a clearer, simpler statement about the economic circumstances that prevailed in Australia at the time this government took office, because what that refers to is infrastructure bottlenecks and rapidly growing government spending putting upward pressure on interest rates and inflation. It is a clear statement of the circumstances that prevailed in the Australian economy at that time.

The purpose of infrastructure investment is to deliver long-term prosperity—not short-term vote buying, like the previous government engaged in, but long-term prosperity. Infrastructure investment is a key determinant of growth, it is a key determinant of living standards and it is critical to attracting foreign investment into this country. It is a really important element in the competitive advantage of the Australian economy when both Australian businesses and international businesses are making decisions about where to invest.

Along with many other members of the House, I was fortunate enough to grow up in country Australia in the 1960s and early 1970s. It was a period of great investment in infrastructure, particularly by state governments—both Labor and Liberal—but also, in some instances, by federal governments. I saw electricity, gas and sewerage being extended to small country towns like the town that I grew up in, and the long-term prosperity that was enjoyed by Australia in that era had a lot to do with the infrastructure investment that was contributed by governments of both political persuasions. Sadly, in recent times the view on the other side of politics about infrastructure has changed significantly, and we are yet to hear a significant statement from the Leader of the Opposition, from the member for Wentworth or, indeed, from the putative leader of the opposition, the member for Higgins, about the significance of infrastructure investment for Australia’s economy—or, indeed, about what they in government would do to invest for the future. For too long Australia has been cruising on the back of the mining boom, failing to invest in infrastructure for the future.

Over the past five to seven years, you have been able to see the consequences of this in the export data. You can see the consequences of this in high current account deficits and in the inflation problem that this government inherited when we took office. The Rudd government are committed to tackling these infrastructure issues. We are committed to investing for the long-term
future prosperity of this nation. We are committed to ensuring that future generations of Australians can enjoy the same kind of prosperity that I and so many others of my generation enjoyed off the back of infrastructure investment in the 1960s.

Economy

Mr TURNBULL (2.56 pm)—My question is addressed to the Treasurer. I refer again to the statement issued today by the Governor of the Reserve Bank, which stated, ‘Inflation is likely to remain relatively high in the short term.’ I ask the Treasurer: with inflation expected to reach five per cent at the same time the economy is slowing, does he now regret his intemperate remark that ‘the inflation genie is out of the bottle’, which he made when inflation was at three per cent?

Mr SWAN—I thank the member for his question. I just wish he would tell the truth in the question. In October, November and December last year underlying inflation hit 3.6 per cent—the highest in 16 years. And we have been frank with the Australian people in telling them that it has gone up since then.

Dr Nelson interjecting—

Mr SWAN—There he goes. He says: after a year of us running the economy, we are responsible for the inflation. I was talking before about the political opportunism from plan A there, from plan B up there and from plan C over here, and I will tell you what it is based on. It is based on the notion that there was no inflation in the Australian economy until 24 November last year. That is what it is based on. It is based on the notion that 10 interest rate rises in a row never had any impact on economic growth. It is based on the notion that there has been no impact on the Australian economy by events in world financial markets—that they are not pushing up borrowing costs for households and businesses. It is all based on a furphy. These people who sit opposite are just so intent on playing short-term political games, they have got no concept of the national interest. I will tell you this: we on this side of the House will stand up for the national interest every time. That is what we are doing by putting together a responsible budget and a responsible surplus. That is what we are doing with our responsible plans for nation building. We understand the need to invest for the future and to tackle the inflation challenge so that we can have sustainable, long-term growth.

Education

Mr SIDEBOTTOM (2.59 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. What steps has the government taken to invest in the infrastructure for the education revolution? Is the Deputy Prime Minister aware of any risks in making this record investment in Australia’s education system?

Ms GILLARD—I thank the member for Braddon for his question. He is, of course, a former schoolteacher. I have had the opportunity to visit some of the educational establishments in Braddon with the member, including one of his vocational education and training establishments. I am asked by the member for Braddon about infrastructure in schooling and education generally. Of course, amongst the things we inherited from the former government—high interest rates, a high inflation environment—we also inherited the consequences of more than a decade—

Opposition members interjecting—

The SPEAKER—Order! The question has been asked.

Ms GILLARD—of neglect of infrastructure investment in education. Of course, we also inherited a skills crisis, a capacity constraint that in and of itself put upwards pressure on inflation.
Mr Hockey interjecting—

Ms GILLARD—Well, the former government did give us Work Choices. Yes, they did do that, absolutely—

Mr Hockey interjecting—

The SPEAKER—Order! The member for North Sydney will cease interjecting. The Deputy Prime Minister will ignore him.

Ms GILLARD—a strategy to make sure that people lost pay and conditions. They did give us that, so that is one thing they still stand for and one thing they unambiguously did—they introduced Work Choices to rip pay and conditions out of the wallets and purses of working Australians. They certainly stand for that. But, whilst, of course, they were engaged in industrial relations extremism, what was happening in education? What was happening in education was that the infrastructure of it was being allowed to end up neglected and in disrepair, and, in many schools around this country, students were trying to learn vocational education and training skills in workshops that would have been more appropriate to the fifties and sixties than to the 21st century.

The Rudd Labor government is addressing this problem through our program of building trades training centres in schools. Already we have invested more than $90 million in 34 projects in 96 schools. Whilst the opposition calls out, ‘Play the blame game,’ ‘Blame state governments,’ ‘Do something else,’ we are delivering. And just listen to the feedback, not from me but from school principals who have benefited under this program. Take, for example, Principal Brendan Lawler of St Edmund’s College in the electorate of the member for Blair—and I am sure the member for Blair is very familiar with this announcement. Brendan Lawler said about his trades training proposal, which was successful:

I doubt if we could have had better news to begin Term 3 than the announcement made on Monday by Deputy Prime Minister, Julia Gillard, that under the Trades Training Centres in Schools Program, a grant of $2.99M was made to build a facility at St Edmund’s College.

And there is this feedback from Wodonga Senior Secondary College in the electorate of the member for Indi, due to receive over $8 million to build a trades training centre to serve the region. Principal Peter MacLean wrote in his school newsletter:

The announcement is wonderful news for the whole Wodonga community both as an economic boost of great significance and for the long term educational opportunities it will provide.

This of course was the first round. The second round is available for applications now. There is more than $300 million available in the second round—

Opposition members interjecting—

Ms GILLARD—I can hear members of the opposition calling out they hate money going into schools, but we will deliver that $300 million in any event.

Opposition members interjecting—

The SPEAKER—Order! Those on my left will come to order.

Ms GILLARD—But of course I am asked about risks to the capital investment in education. Apart from the Trades Training Centres in Schools Program, in the recent budget we created the Education Investment Fund, an $11 billion fund—with $5 billion coming out of the surplus. And of course you cannot put money in a nation-building education investment fund if you destroy the surplus. So, after more than a decade of neglect from the opposition benches, the Liberal Party are now trying to prevent money being invested in education and training infrastructure by irresponsibly punching a hole in the surplus. Well, people who want to see the infrastructure of universities and voca-
tional education and training upgraded will judge the Liberal Party by their actions. The surplus is there to put downwards pressure on inflation and interest rates; the surplus is there to be invested in nation-building projects like education. We are saying to the Liberal Party that, after a decade of neglect, the very least they could do is get out of the way while the Rudd Labor government is fixing the problem.

Budget Surplus

Mr DUTTON (3.04 pm)—My question is to the Prime Minister. Prime Minister, is the surplus for spending or saving?

Mr RUDD—The purpose of a surplus is to ensure that we on this side of the House, through a responsible budget, are doing our part through fiscal policy to bring about downward pressure on inflation and downward pressure on interest rates. That might be a difficult concept for those opposite. It is a very clear-cut concept for those on this side of the House.

Opposition members interjecting—

The SPEAKER—Order! The member for Dickson has asked the question.

Mr RUDD—Secondly, when you saw the explosion in public demand which occurred on the back of five per cent real expenditure growth through the government sector by those opposite in the previous year, you began to see the array of challenges faced by the Reserve Bank in bringing interest rates down. What you had was public demand effectively roaring along at great guns and no investment in terms of supply-side constraints in the economy as well. What does that lead to? An interest rate challenge—

Mr Dutton—Mr Speaker—

The SPEAKER—The Prime Minister will resume his seat. Has the Prime Minister concluded?

Mr Dutton interjecting—

Mr Albanese—Mr Speaker, I rise on a point of order. I would ask the member for Dickson to withdraw that remark.

The SPEAKER—I did not hear the actual comment, but there was a comment that got a reaction; therefore, I would ask the honourable member for Dickson to withdraw the remark.

Mr Dutton—we are sick of this spin and rubbish. If it helps the House, I withdraw.

The SPEAKER—I am asking the member to withdraw a remark which has caused offence. The member for Dickson is obliged to do so without additions.

Mr Dutton—I withdraw.

The SPEAKER—Thank you.

Climate Change

Mr CHAMPION (3.07 pm)—My question is to the Minister for the Environment, Heritage and the Arts, representing the Minister for Climate Change and Water. What is the impact of climate change on drought and on our water supplies? What is the government’s response to this issue?

Mr GARRETT—I thank the member for Wakefield for his question. The impact of climate change, with increasing temperatures over time, on drought and on our water supplies is real. It underlines why comprehensive action to tackle climate change is a priority for the Rudd Labor government. The Liberal Party, with its palpable lack of direction, consistency and conviction, shows how ill-equipped it is to deal with these issues day by day. Barely nine months into the life of the government we have given Australia a seat at the global negotiating table, with the ratification of Kyoto. We have committed to reducing Australia’s greenhouse gas emissions by 2050 to 60 per cent of the 2000 levels. We have set out the government’s preferred design for the introduction of the Carbon Pollution Reduction Scheme. We are
committed to ensuring that at least 20 per cent of Australia’s electricity supply comes from renewable energy by 2020 and we are committed to a substantial forward agenda on cost-effective energy efficiency improvements as a key plank of our response to reducing Australia’s carbon pollution at least cost.

I have to say that this comes at a time when we have had 11 of the 13 hottest years on record, evaporation rates in the Murray-Darling Basin are at a very, very high level and, regrettably, inflows are very low. That is a real agenda, they are significant commitments, they are real targets and they form part of a strategic approach to tackling climate change—an approach that is economically responsible, environmentally effective and based on science. Perhaps the best way to understand this approach after nine months is to compare it to the previous government’s record over 12 years: 12 years of denying the climate change science and 12 years of ignoring the evidence. And that is not the full story.

Mr Tuckey—Mr Speaker, I rise on a point of order on the basis of relevance. I do not recall anything in the question that asked the minister to comment on the policies of other governments or parties. I thought he had done a pretty good job up till then. He may as well sit down.

The SPEAKER—The member for O’Connor will resume his seat. The minister was asked to relate climate change to drought and water supply.

Mr Garrett—That is not the full story, because, as we saw in the Sydney Morning Herald of 28 July, not only did the previous government spend 12 years denying the science, they then spent about 12 months pretending to care. This was what an anonymous coalition MP said about their colleagues:

... 70 per cent either does not believe in climate change or is plain sceptical.
That was the same MP who said:

We were staring at an electoral abyss. We had to pretend we cared.
The problem with pretending to care—

Honourable members interjecting—

The SPEAKER—Order! The minister will resume his seat. When the House comes to order the minister will have the call.

Mr Garrett—As I was saying, the problem with pretending to care is that it is hard to be convincing to anyone. No better example of this was in evidence than last night when the Leader of the Opposition was interviewed on Lateline and was asked a very straightforward question:

Do you accept what’s happening to the Lower Lakes and right up the Murray is also related to climate change?
This is the answer from the Leader of the Opposition:

Well, no I don’t.
He went on to say:

What’s happening at the moment in the Murray-Darling Basin is a consequence of two things: mismanagement of the entire system for almost 100 years, and also the worst drought in 100 years. And it is quite wrong for people to suggest that what we’re seeing at the moment is a consequence of climate change.

Following that response, the Leader of the Opposition was presented with the views of Australian scientists, including from the CSIRO and the Bureau of Meteorology. He then went on to say:

Climate change in so far as the impacts that we have seen may well be contributing to some of it, but essentially what we see is a product, as I say, of drought and mismanagement.

That was two positions in two minutes as the opposition leader went on to talk about mismanagement.
Mr Hunt—Mr Speaker, I rise on a point of order. Under standing order 76, ‘Uranium Pete’ is surely struggling for relevance.

The SPEAKER—Order! The honourable member will resume his seat. I remind him that standing order 76 does not apply to questions; it applies to debate. The minister will get back to the question and commence to conclude his answer.

Mr Garrett—Can I simply say: 12 years of neglect and denial, then 12 months of pretending to care and two minutes to change position. We do not have to look very far, because they had 12 years to take action on water and there was not one single drop of water returned to the Murray-Darling Basin as a consequence of environmental flows. And now the opposition leader, in the space of two minutes, goes from ‘no’ to ‘maybe’. This is what happens to a Liberal Party that pretends to care about climate change: a leader who cannot hold the same position on climate change from Lateline to Lateline Business.

I tell you the Rudd Labor government do care about climate change. We do care about the challenge of water and we acknowledge that it is a serious difficulty for families and irrigators and other communities in the basin. We also recognise the views and evidence presented by our leading scientists and we take them seriously. We have a clear policy agenda in place to deal with these issues and we will deliver to the Australian people.

Budget

Mr Dutton (3.14 pm)—My question is to the Prime Minister. Prime Minister, what impact will $40 billion of additional infrastructure spending have on the projected budget surplus?

Mr Rudd—There are two things you can do with a surplus. One is to spend it on consumption, which is what they did, and that produces inflationary pressures. The second thing you can do with a surplus is save it for investment. That is what we are doing.

Mr Dutton—You can’t do both! You can’t save it, then spend it—you idiot!

Mr Albanese—Mr Speaker, on a point of order: the member for Dickson, on a point of order, is asked to withdraw.

Mr Randall—Call him an idiot and you get a kick!

The SPEAKER—Order! The member for Canning is not assisting. If the member for Canning is in some way outing the expression that was used, I would need to ask for the withdrawal—because I did not hear it. The fact is that there was a reaction. Again, I am assuming that something was said. It would assist the chair if the member for Dickson were to withdraw unconditionally.

Mr Abbott—Mr Speaker, on a point of order: I think it would assist the House if the Leader of the House would specify precisely what it was that he was taking issue with.

The SPEAKER—I am usually reluctant to take that course of action but, if there is such an invitation, I would ask the Leader of the House to respond.

Mr Albanese—The member for Canning has already outed the member for Dickson, Mr Speaker.

The SPEAKER—Order! The member for Dickson will withdraw.

Mr Hockey—Mr Speaker, on a point of order: if every word that is uttered in this place needs to be withdrawn because it gets a reaction, we would find that Hansard would be blissfully blank. This is ridiculous. We are being asked to withdraw words when we do not know what the words were, you do not know what the words were and the Leader of the House does not even want to say what the words were. Surely we can get on with
the business of the House and get over these stunts.

The SPEAKER—Order! The member for North Sydney will resume his seat. Regrettably, this is an area of practice that is not an exact science. My explanations of last week do not seem to have helped me along the way. But these matters are in the context of what happened last week in the case where, without wanting to embarrass the member involved, the member did not have the call and there was nothing happening but me about to give the call to a questioner. That meant that the threshold was lower. Similarly, these were remarks that were apparently heard by those on my right and some on my left when the member for Dickson was returning to his place. Without asking for the word to be used on and on, I stand by the call that I would ask the member for Dickson to withdraw so that we can proceed.

Mr Pyne—Mr Speaker, on a point of order: if I am correct in understanding your ruling, we are now in the area where—like the Salem witch trials—if someone makes a claim on the other side and there is a reaction we are expected to withdraw it. Can I humbly suggest that we move on with the business of the House. Requiring the member for Dickson to withdraw something when nobody actually knows what it is is ludicrous and reflects poorly on the House itself.

The SPEAKER—Order! The member for Sturt will resume his seat. I ask the Leader of the House to identify the offending word.

Mr Albanese—It goes to the context, which is that every time the member for Dickson asks a question he interjects on the way back to his seat. He knows that he declared an insult across this chamber. If he chooses to not have the integrity to withdraw it, let that be on him. Mr Speaker, but I have already indicated to you that you correctly identified the member for Canning as having outed the words used by the member for Dickson.

The SPEAKER—I ask the member for Dickson to withdraw.

Mr Abbott—Mr Speaker, on a point of order: I accept that you have made a request of the member for Dickson—and that is fair enough—but I also believe that in the process of doing this the Leader of the House has accused the member for Dickson of a lack of integrity. That is a very serious offence. I think it is insulting. I would ask that, once the member for Dickson has withdrawn, the Leader of the House similarly withdraw, given the circumstances now pertaining in the House.

Mr Tuckey—Mr Speaker, the Leader of the House defied your ruling and I cannot see how the punishment he avoids can be then placed upon the member for Dickson if he further defies your ruling. We cannot have rulings on the run.

The SPEAKER—I ask whether the member for Dickson is prepared to withdraw.

Mr Dutton—Mr Speaker, for the convenience of the House, I withdraw.

The SPEAKER—I thank the member for Dickson. The Leader of the House used the words, ‘If the member for Dickson did not withdraw’, and I am satisfied that that concludes this episode—

Honourable members interjecting—

The SPEAKER—Because the member for Dickson has withdrawn and therefore, by definition, he has shown integrity. I am satisfied that that is the end of the matter, and I call the member for Flynn. I am satisfied that the member for Dickson has done the honourable thing.

Mr Albanese interjecting—

The SPEAKER—I ask the Leader of the House to get that on the record.
Mr Albanese—I withdraw.

The SPEAKER—I thank the Leader of the House and I thank the member for Dickson, and I thank now the chamber for their cooperation.

Climate Change

Mr TREVOR (3.23 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. How is the government helping farmers to prepare for climate change? How is this approach different from that of the past 12 years?

Mr BURKE—I thank the member for Flynn for the question. The Australian government recognises the reality of climate change around the globe, what that is doing and the challenges that it is presenting within Australia. This is also something that is well understood by Australian farmers, both on the ground and at the peak body level. We have listened to the National Farmers Federation, who have said that the NFF believe climate change to be ‘possibly the biggest risk facing Australian farmers in the coming century’. In the same way, we have listened to farmers when we have met them in the field. For example, in the New England region, while travelling with the member for New England, we spoke to Michael Vickery, a fine-wool producer. He talked about the work that he had done on his farm to improve soil carbon—lifting it by six per cent from when he bought the property in the mid-eighties to 1991.

There are of course other views that have occurred during the last 12 years. Some were presented in spectacular fashion on Lateline last night. On Lateline last night we heard a view on the Murray-Darling Basin and the crisis there that it had absolutely nothing to do with climate change. We had a new argument presented last night which said, ‘Okay, the climate is changing but the weather remains unaffected’—no impact on the weather at all—and ‘You can look at any impact on the weather out there and, yes, these things are happening globally but somehow Australia remains blissfully immune.’ Given a choice between listening to Australia’s farmers or listening to the Leader of the Opposition, the government has chosen to listen to Australia’s farmers.

A lot of the work that Australia’s farmers have done for many years now has a knock-on benefit in terms of dealing with the impacts of climate change. When Landcare was commenced under the previous Labor government, originally it was acknowledging the good environmental management that was performed by our farmers. Then, as salinity became an issue, Landcare work also helped with salinity. As we went into the drought, it also helped with soil moisture, and now that work, which has been done for so many years on properties around the nation, helps with the building of soil carbon. This is National Landcare Week, and 91 per cent of farmers who have had some involvement with Landcare have made changes to the way they manage their farms in ways that do help to deal with the challenges of the future.

In addition to this, though, the government realises that there is a need for further adaptation and adjustment assistance for Australia’s farmers. That is why we are committed to Australia’s farming future, whether it be through research, through adaptation or through adjustment. We tripled the additional funding available for the Climate Change and Productivity Research Program from $15 million to $46.2 million. We also announced the Farm Ready Program—$262 million to help train farmers in dealing with these challenges of the future and to make sure that the best science makes it from the lab to the farm. Of course, there is adjustment money as well, including grants of up to 5½ thousand dollars for business planning.
Australia is not immune from these difficult global conditions. Farmers are facing a host of global challenges and a whole range of input costs, making it tougher at every level. They have had some relief today, which I hope gets welcomed by those members opposite. Today’s announcement in terms of the input cost impact of debt is extraordinary for farmers. Average farm debt in Australia for 2006-07 was around $702,000—up from 2001-02 when it was only $238,000. Today’s announcement, if passed in full, will lead to a reduction in interest payments of around $1,755 a year per farm, or $146.25 every month, based on the average farm debt level. I certainly look forward to the opportunity where we look at the challenges of the future and the challenges of the present and hope at the end of question time we see the Leader of the Opposition stand up in this place and welcome the interest rates announcement.

Water

Dr NELSON (3.27 pm)—My question is to the Prime Minister. Will the Prime Minister support the coalition’s $50 million emergency assistance package for the communities, the environment, the farmers and the businesses of the Coorong and the lower lakes?

Mr RUDD—I draw the Leader of the Opposition’s attention to the package which the government already announced some time ago for the lower lakes. That was an extensive package which went to local irrigation works. Having visited that area with the Minister for Climate Change and Water, the particular request put to us by that local community then was to assist them with the piping necessary to get water from higher up in the Murray to their particular agricultural needs adjacent to the lakes. And that is precisely what we responded to with a very expensive program, way in excess of the $50 million which the Leader of the Opposition has just referred to.

The second point, though, on the question of the Coorong Lakes is: how do we deal effectively with that as a long-term challenge given the extreme overallocation of water entitlements to the Murray-Darling? The government, again, has a strategy in place on that score, which includes, for the first time in the Commonwealth’s history, the buying back of water entitlements. We have commenced that with the Minister for Climate Change and Water, having expended $50 million already for the purchase back of some 37 gigalitres of entitlements. Most recently, at the Adelaide cabinet meeting, we agreed as well to allocate a figure something in the order of half a billion dollars to accelerate the purchase of water entitlements across multiple jurisdictions. This is necessary in order to—

Dr Nelson—Mr Speaker, I rise on a point of order. I direct the Prime Minister to the question—and does this mean the answer is no?

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

Mr RUDD—the question goes to the level of support for those associated with the lower lakes, and that is what I am responding to in terms of the package which I put forward, and put forward considerably in advance of that which has been referred to by the Leader of the Opposition. I would draw his attention to the whole challenge of taking back water entitlements for the system by a system of purchasing on the open market, which is what we have been doing. What I cannot understand—and presumably that is why those opposite interject—is why, in 12 years in office, they did not purchase back a single gigalitre of water entitlements from the entire Murray-Darling system. For 12 years, they had all that time to act; they had
the money to act and they failed to act. In nine months of office we have already begun the buyback program.

I conclude my answer to the question of the Leader of the Opposition by again going to the third element of the challenge for the Coorong Lakes—that is, the impact of climate change. The matter has already been raised by the minister for agriculture and the minister for the environment in response to questions in the House today. The other part of dealing with this challenge in the Coorong Lakes is the impact of climate change on water inflow into the entire Murray-Darling Basin. If you are going to continue to position yourself on the side of the climate change deniers, which those opposite do consistently, and say that climate change has nothing to do with what is happening either in the lower lakes or in the Murray, you cannot even get to first base in dealing with this problem for the long term.

Last night the Leader of the Opposition stood up on national television and answered the question, ‘Do you accept what is happening to the lower lakes and right up the Murray is also related to climate change?’ He said, ‘Well, I don’t.’ I find that remarkable. Last night a series of questions was put to the Leader of the Opposition by the interviewer where he presented the Leader of the Opposition with a series of scientific reports. The question on Lateline was, ‘How do you know it’s not climate change?’ The Leader of the Opposition answered, ‘It’s not a consequence of climate change.’ He was then asked, ‘How do you know that?’ And there was no answer to that. In other words, he says that it is not a consequence of climate change because he says it is not a consequence of climate change. That is what it is all about. Can I say to the Leader of the Opposition: you need to get with the science on this. Look at the technical report put together by the CSIRO and the Bureau of Meteorology which says—and I ask the Leader of the Opposition if he agrees with this statement: Recent Australian drought has been accompanied by higher surface temperatures due to anthropogenic warming.

That report was in 2007, when you lot were in office. Then there is the IPCC Fourth Assessment Report 2007: Impacts, adaptation and vulnerability.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The point of order is on relevance. There is no way in the world that the answer that is being given is relevant to the question in any shape or form. I know the difficulties about interpreting relevance, but this one is a blatant way of denying what is truly his responsibility in this place. Is he going to support the $50 million or not?

The SPEAKER—Order! It is true that it is very difficult to establish that something is outside the relevance of the question, but I just make the observation that at some stage the House may wish to consider whether the same standing orders that apply to questions apply to answers, and therefore there would be less debate in questions. But that is in the hands of the House because this answer being given by the Prime Minister is by the practice of the House as established.

Mr Rudd—Further on the impact of climate change on the lower lakes, which I would have thought the Leader of the Opposition would be interested in, I draw his attention also to the IPCC Fourth Assessment Report 2007—again released when he was in office and many of those opposite were cabinet ministers. In the chapter on Australia and New Zealand, it says: Australia and New Zealand are already experiencing impacts from recent climate change. These are now evident in increasing stresses on water supply and agriculture ...
Most recently, in January 2008, Mr David Jones, Head of Climate Analysis in the Bureau of Meteorology, said:

“Last year climate change became very evident in south-eastern Australia, with South Australia, New South Wales, Victoria, ACT and the Murray-Darling Basin all setting temperature records by a very large margin …

Those are three sets of scientific reports. But in response to the question, ‘How do you know it is not climate change?’ the Leader of the Opposition says, ‘It is not climate change because it is not climate change.’ That is what he said. I suggest to the Leader of the Opposition that if he wishes to seriously engage in a debate about what you do in handling the challenges of water in the lower lakes then, firstly, you have a reasonable and rational program of assistance, which this government has put forward, and to which the government will add in the future; secondly, you deal also with a proper program to buy back water entitlements from this grossly over water-entitled river system—hence, the government’s buyback program; and, thirdly, you must act in the long term on climate change. I would say that the Leader of the Opposition has had a very bad 24 hours—first with the Nelson doctrine on interest rates and now with the Nelson doctrine of climate change denial.

Child Abuse

Ms PARKE (3.35 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. What activities are planned to raise awareness of children’s issues, especially issues of child wellbeing, neglect and abuse?

Ms MACKLIN—I would like to particularly thank the member for Fremantle not only for her question today but for her very hard work and commitment to deal with these difficult issues of child abuse. I would like to also particularly mention the members for Macarthur and Fremantle, who organised an excellent briefing for all members of parliament at lunchtime today. I think it really brought home to each and every one of us just how serious this issue is. National Child Protection Week is next week and it will be run around a very powerful theme: Children See, Children Do.

NAPCAN, the National Association for the Prevention of Child Abuse and Neglect, is organising many events around the country, with some support from the Australian government. This will provide an opportunity next week for all members of parliament to get out to wherever we can in our electorates to make sure that we show the sort of leadership that is needed in the critical area of child abuse.

I want to share with members of the House some remarks made by an extraordinary woman at the briefing organised by the two members today. Anne-Marie is a mother of three young children. She has been participating in Uniting Care Burnside’s New Parent Information Network, or NEWPIN, for the last two years. She had a very traumatic childhood, filled with far too much abuse. Back in October 2005, she was a mum with a three-year-old son and 11-month-old twins, a boy and a girl, and she said this about herself:

I was tired, sad, mad, isolated, overwhelmed, deeply traumatised and very much in need of some help.

She also said:

And these NEWPIN people were so bloody persistent and supportive, non-judgemental and compassionate and caring, I didn’t stand a chance. I’m only human.

At the briefing at lunchtime today, she said that that was the greatest thing about the people at Uniting Care. They just stuck with her through all that difficult time. She continued:
In those two years, I got my licence back, bought a car. I got a credit card and after attending two years of parenting courses, I realised that if I could do that then I could do TAFE too. I started TAFE, I got my health fixed and I took control of my life for the first time ever.

Further, she said:
The thing is when you become a parent, all of sudden it is not just about you anymore and you begin to realise, it won’t be about you for a very long time.

She also said—and I think this really summed it up:
If you have not been taught how to love and be loved, how can you teach or show it?

That is what we all have a responsibility to do: to work with people like Anne-Marie and organisations like Uniting Care Burnside in our electorates and right around Australia to make sure that children in our country can grow up happy, healthy and with a great future.

Rudd Government

Mrs GASH (3.39 pm)—My question is to the Prime Minister. Prime Minister, when is the blame game going to end?

Mr RUDD—I thank the honourable member for her question. If you go to the big challenges facing Australia’s future, such as infrastructure—and we have spoken a lot about those in question time today—either you can as a national government partner with state governments and, I believe, increasingly with local government in rolling out the infrastructure that the nation, including in her community around Nowra, needs or you can simply adhere to the politics of long standing, which is to blame other levels of government. We do not intend to keep up that tired, old game plan, which has been done to death by those opposite, of blaming one state government after another and blaming one level of government after another, until you have had a decent time to work through these things in a cooperative fashion.

We believe that is the right way ahead. That is why we have worked with the Council of Australian Governments in the way in which we have done.

Take, for example, the work by the Minister for Small Business, Independent Contractors and the Service Economy. I imagine the honourable member has a lot of small businesses in her electorate. One of the challenges faced by those in small business is how to deal with the avalanche of regulatory overhang in their businesses. Those opposite conspicuously did nothing about that. In the period that we have been in office, we have said through the Council of Australian Governments: business—small, medium and large—is having a hard time of dealing with a whole lot of regulations. They are making it very difficult for small businesses to grow into larger businesses and for them to sell into markets across state boundaries. Therefore, one of the practical challenges is how you stop blaming other governments for that and how you start cooperating with them to get rid of some of these impediments to business and trade. That is what the minister for small business is currently doing through the COAG working group on business deregulation. We think that is one practical area to work your way through these problems.

Another area is in health and hospitals. I presume that in the area represented by the honourable member she would like to see greater investment by the national government in the particular health and hospital needs of her constituents rather than a formula which says: ‘Ah, we’ve got a problem here; therefore, let’s just blame the state government of New South Wales or wherever for what is going on.’ Why don’t we actually put our shoulder to the wheel and say: ‘If the federal government, under the government which was supported by the honourable member, pulled $1 billion out of the sys-
they did when it came to health and hospitals—‘how do we as a national government put that money back in and partner with state health authorities to improve health infrastructure on the ground?’

Turn to education. Turn, for example, to TAFE. Turn also to the challenges in skills. Either you can say that the digital revolution in schools is just too hard, too difficult and too long term to touch, or you as a national government can say both on computers in schools and on trades training centres that the national government should partner with state and territory governments in order to make sure that schools on the ground are doing better. For example, of the 864 schools which have now received grants for 116,000 computers—and I imagine some of those may have been delivered to the honourable member’s electorate; I am not quite sure—

Opposition members interjecting—

Mr RUDD—Can I ask those opposite to put their hands up if they would like any of those grants to be handed back? Can I ask those opposite to put their hands up if a trades training centre were to be put into one of your schools in the period ahead and you would like those grants to be handed back? I use those as practical examples for those opposite. Either you can go through a cooperative strategy of dealing with the states and territories and act in a practical way on business deregulation, act in a practical way to ensure that you are delivering health and hospitals programs for communities on the ground and act in a cooperative way when it comes to schools and TAFEs, or you can play the blame game. We do not intend to perpetuate that game.

The SPEAKER—Has the Prime Minister concluded?

Mr RUDD—Yes.

Employment

Mr MARLES (3.44 pm)—My question is to the Minister for Employment Participation. How will Australia’s new employment services benefit job seekers and help to address the nation’s skills crisis?

Mr BRENDAN O’CONNOR—I thank the member for Corio for his question. I was recently in Geelong, talking to employment providers, hosted by the member; I do appreciate his interest in this particular area. I am still waiting for the member for Boothby to ask me a question in this place—and I will keep waiting. I am sure.

We have been doing a lot of things in this area. It is important that we get employment services correct. As of 1 July next year, we will have a new system in place, as the old contracts entered into by the previous government expire. The Job Network policies designed by those opposite have failed disad
dvantaged job seekers. That is underlined by the fact that, in 1999, one in 10 job seek
ers that were on unemployment income were very long term unemployed; it is now almost one in four job seekers that are on the very long term unemployed list. That is something we must address. As a result of that, we are not only changing the employment services but also ensuring that, over the next five years, there will be 238,000 training places for job seekers.

The new employment services will have a strong focus on work experience, including Work for the Dole. There will be a very effective compliance system where a job seeker will lose income if they miss a day of activity without a reasonable excuse. That particular form of compliance will encourage engagement—that is, if there is a failure to actively involve themselves, they will lose a day and, of course, they understand, therefore, that they have to re-engage for payment to resume. That is a very important part of
the system. We will keep the eight-week non-payment penalty for wilful non-compliant job seekers, but that should be a much more limited number than is currently the case.

The new system is about participating, not waiting. For that reason, we will be removing the waiting lists for services—lists we have inherited from those sitting opposite. Making already disadvantaged job seekers wait compounds the problems that they have. The fact is that the new system will allow disadvantaged job seekers to be attended to immediately rather than having them wait for particular periods of time for particular assistance, which is currently the case under the existing system.

I have to say that I do not think members opposite fully appreciate how hard it is for these disadvantaged job seekers to wait. For example, in Parkes, New South Wales, job seekers are waiting for up to 299 days to access the Personal Support Program. Of course, 299 days may not seem all that long to the absent member for Higgins. If you are in a taxpayer funded job waiting 294 days for a book launch, it would not seem that long at all. But the fact is that, for job seekers, it is an eternity. We will be removing those waiting lists as of 1 July next year.

Over the last decade, rather than improve skills for job seekers, the member for Warringah, the member for North Sydney, the member for Dickson and others on the other side of the House spent a long time working out how to vilify and demonise job seekers; they spent their time inventing names for job seekers. I think it is a bit rich that those opposite like to use the term 'job snobs' when they exhibit a whole lot of job snobbery on their part. The fact is that we have a member for Gippsland here because his predecessor thought the actual job of looking after his Gippsland constituents was not important enough for him, so he left. The reason why we do not have the member for Lyne and the member for Mayo here is because—

The SPEAKER—Order! The minister will bring his answer to a close.

Mr BRENDAN O'CONNOR—Indeed. Mr Speaker, the reason that they are not here and we have expensive by-elections is that those members—

The SPEAKER—Order! The member will bring his question to a close.

Mr BRENDAN O'CONNOR—believe that they are too good to represent the constituents of those electorates. This government is very serious about reforming employment services and having training that will be commensurate with the skills that those job seekers need; we will make sure that we finish doing that. We expect the support of the other side—but, I have to say, after 12 years, they showed no regard for those skill needs for those job seekers.

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

QUESTIONS TO THE SPEAKER

Standing Orders

Mr BROADBENT (3.49 pm)—Last night in the House, while the member for Fowler was presenting her petitions, which is her duty as the chair of that committee—and this question is to you—I noted that a number of members walked between the chair and the member presenting her petitions. What is the convention of the House with regard to members walking between the Speaker and the person doing the presentation, as the decorum of the House is important to all of us?

The SPEAKER—Order! As I indicated, I am not taking questions on procedures at this point in time; I will take questions on administration. The member knows full well that the standing orders well and truly cover
this and that it is not appropriate for the line between the member that has the call and the chair to be broken.

**Question Time**

Mr ABBOTT (3.50 pm)—Mr Speaker, I am sure that you are familiar with the Deputy Prime Minister’s view that ministerial answers should be limited to four minutes. Given the view of members opposite and the support of members on this side for such limitations, would you please consider asking ministers to bring their answers to a close at the four-minute mark?

The SPEAKER—Order! Again I am not extending to making opinions about matters of procedure. I will indicate only that, as Speaker, I wrote to the Procedure Committee asking that they continue a reference that they had in the last parliament. That is it—full stop.

**Points of Order**

Mr ALBANESE (3.51 pm)—Today, as one of the opposition’s 19 points of order moved during question time, the Manager of Opposition Business reached his tonne: his 100th point of order during this parliament, as part of the 360 points of order moved by those opposite.

The SPEAKER—Order! Is there a question? The leader will come to a question.

Mr ALBANESE—Can you research, Mr Speaker, in your capacity as a Presiding Officer, whether that is indeed a record in this parliament since Federation?

The SPEAKER—Order! To the extent that statistics are interesting, it is not my intention to further the analysis of what has happened in the chamber.

Mr Hockey—Just to assist you with this, Mr Speaker, we are happy to move the gag where ministers go on for seven minutes, but you would never get past his latest answer.

Mr ALBANESE—I did not think you would object to being the Buddy Franklin of the parliament, Joe!

Honourable members interjecting—

Mrs Bronwyn Bishop—You really are a grub.

The SPEAKER—Order! The member for Mackellar will withdraw.

Mrs Bronwyn Bishop—I would be delighted to withdraw the fact that I called him a grub.

The SPEAKER—The member for Mackellar knows the requirement to withdraw without condition.

Mrs Bronwyn Bishop—And without condition.

The SPEAKER—I think we will take that as being viewed as people will view it. I think the Leader of the House understands what I am getting at.

Mr Albanese—I understand exactly. The member has indicated the quality of her—

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

**DOCUMENTS**

Mr ALBANESE (Grayndler—Leader of the House) (3.52 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

**MINISTERIAL STATEMENTS**

**Intercountry Adoption**

Mr McCLELLAND (Barton—Attorney-General) (3.54 pm)—Today I would like to address some very serious allegations that have arisen over the past fortnight in regard to intercountry adoption. As members would be aware, allegations have arisen that relate to cases of child trafficking within India and the subsequent adoption of those children to Australia. This is clearly a tragic set of cir-
circumstances for the parties—and particularly the children—involving. In working to resolve these issues, we must not lose sight of the best interests of the child and the need to be sensitive to the concerns of both the Australian adoptive families and the birth families in India.

Firstly, I would like to reassure the House that Australia no longer has any dealings with the agencies involved, neither the Malaysian Social Services nor the Madras Social Service Guild. The last child adopted to Australia from either of these agencies was in 2000. After this time, in 2003, India ratified the Hague Convention on Protection of Children and Co-operation in respect of Intercountry Adoption which focuses on the need for countries to work to prevent the abduction, sale, or trafficking of children. It does so by establishing principles for countries to follow that focus on the need for intercountry adoptions to occur only where it is in the best interests of the child and with respect for his or her fundamental rights, and of course with appropriate safeguards and procedures. Australia has an international reputation for high standards with respect to our intercountry adoption programs and only deals with those countries that meet the standards of the convention, even if they are not signatories to the convention itself.

We are taking action in a number of ways to secure a response from the Indian authorities regarding these disturbing allegations:

- at the government-to-government level, I have written to the Indian Minister of State (Independent Charge) to raise directly my concerns about the allegations and seek additional information about the monitoring of agencies;
- my department has raised this issue directly with the Indian central authority responsible for overseeing adoptions in that country;
- the Australian High Commission in New Delhi will call upon the deputy director of the Indian central authority to discuss these concerns; and
- my department has raised the allegations with the Permanent Bureau of the Hague Conference on Private International Law.

We are also considering ways that we can help to support the parties involved through this difficult time. The birth parents of the children may wish to establish contact. However, I am very aware that the Australian adoptive families need time and support to consider how to react to the allegations. These needs and most importantly the needs of the children must be taken into account when exploring any opportunities for adopted children to better understand their origins and explore their identity. Taking these considerations into account, there could be opportunities for birth parents and willing adoptive parents of children to establish communication. The opportunities could also be pursued by children when they reach the age of 18 and are able to make a decision for themselves. Again, the government is prepared to provide every reasonable assistance for that to occur.

The intercountry adoption program between Australia and India remains open. Australia will continue to work with a number of reputable agencies in India to find Australian families for children in need. However, in light of these allegations, we will be very carefully monitoring the agencies with which Australia has working relationships. In order to ensure that children are protected, we are seeking information and assurances from the Indian authorities about their mechanisms for supervision and standards of agencies. We are liaising with the permanent bureau of the Hague conference, as well as other countries that may offer an
insight into the Indian program and the recent allegations.

I have already initiated a process of freezing any prospective adoptions for agencies where my department believes there are credible concerns about practices. This process will continue and will ensure that no new adoptions are undertaken with any agencies that the government has credible concerns about. Files will not be processed until such time as we can confirm the agency’s reliability and adherence to the standards of the Hague convention.

To help families who are in the devastating situation of having to deal with questions about their child’s adoption, we are developing a protocol to seek answers and provide information for the direct support of families.

Australia has an excellent international reputation for its high standards and preparation of families to parent children through intercountry adoption. The recent allegations—which occurred prior to the Australian government’s involvement in intercountry adoption—clearly demonstrate why we must continue to insist upon rigorous procedural safeguards for all programs. While some concerns have been aired regarding the delay of the intercountry adoption program, clearly we need to take care to ensure the integrity of the system of whichever country we are dealing with.

To assist the development of such systems, the Rudd government contributed $200,000 to an initiative managed by the permanent bureau of the Hague conference earlier this year. The money will assist countries that are planning on joining the convention with effective implementation of their requirements. The provision of this assistance is an important way for Australia, as a receiving country, to support partner countries. We must ensure the integrity of each stage in the system to prevent the exploitation of children.

I stress again that it is important that we have confidence in the consent process for adoption, confirmation that children are in need of an overseas family and guarantees that no improper financial gains derive from the process. In accordance with the Inter-country Adoption Strategic Plan, my department regularly reviews the viability of all our programs, including making assessments against the Hague convention principles.

Where appropriate, intercountry adoption can be a great outcome for children and their families. We should not lose sight of the benefits of providing a child in need with a loving and secure family environment—and there are many, many examples where that has been successfully achieved. In doing so, we support the Hague convention principle that intercountry adoption should be a last resort. However, for those children who cannot be raised by their own families, or within their own country, an appropriate family environment should be sought in preference to long-term institutional care. I have every confidence in the work that our state and territory colleagues do to prepare Australian families to care for adopted children. This includes promoting openness in adoption through training and education for potential adoptive parents. In particular, the focus on the program is to ensure that the benefits of ongoing contact with birth parents or culture can be recognised.

The government is also eager to move forward in strengthening the intercountry adoption system in Australia. We are progressing a number of important initiatives to reform the bureaucracy associated with intercountry adoption in Australia. This is occurring while always keeping the interests of the child as our primary concern. In order to make improvements, we are implementing
the recommendations of the House of Representatives Standing Committee on Family and Human Services 2005 report, *Overseas adoption in Australia*, to which members from both sides of the House made a valuable contribution.

A new Commonwealth-state agreement has been negotiated with the state and territory governments. The agreement provides an excellent framework for all jurisdictions to work cooperatively to improve intercountry adoption in Australia. This includes establishing a working group to harmonise fees and procedures across jurisdictions and to examine alternative models of service provision. I note that the states and territories continue to have responsibility for all adoption applications in Australia, both domestic and intercountry.

I am also very pleased that the National Peak Overseas Adoption Support Group is up and running. The group draws together a diverse range of people who all have relevant life experiences as adoptees, adoptive parents and professionals. The members have skill, insight and practical knowledge of adoption. The group is already providing valuable advice to the government on the priorities of the intercountry adoption community and I look forward to their continued input on these complex matters.

In recent weeks there has been discussion in the media and indeed political commentary as to what the destiny of these children should be, in respect of allegations that these children were the subject of trafficking. The position at law is that the birth parents of those children have rights under the principles of the Hague convention to seek a return of those children. Equally, the adoptive parents have rights in respect of their position to meet any such application made by those birth parents. And, of course, the primary rights that will be considered by a court adjudicating on those matters will be the best interests of the child. That is vitally important.

While all these situations are distressing, we must bear in mind that in respect of, in particular, a child in question it seems that child may well have been in Australia for some eight years, be regarded as a citizen of Australia and have English as their primary if not only language. The court would obviously consider these factors, would consider the length of time that the child has been in Australia and would consider the consequences for a child of that age in being returned to an environment with which they are not familiar and in not possessing capabilities—certainly language capabilities—to meet that. These are not issues for politicians to deliberate on; they are heart-wrenching issues for a court to deliberate on, and that is appropriate.

Finally, I note that this week, the 9th Australian Adoption Conference will be held in Sydney. The theme of the conference is ‘Connecting Past, Securing Future’. A number of our international colleagues will be attending. This is an important opportunity to share information and best practice as well as general knowledge that is fundamental to the operation of adoption. And it is a chance to demonstrate to our overseas partners Australia’s commitment to developing best practice in this area. Quite clearly, underpinning that best practice is working towards the best interests of each and every child individually as well as children generally.

I ask leave of the House to move a motion to enable the member for Sturt to speak for 12 minutes.

Leave granted.

Mr McCLELLAND—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Pyne
speaking for a period not exceeding twelve minutes.

Question agreed to.

Mr PYNE (Sturt) (4.07 pm)—The allegations reported on the front page of the Australian newspaper on Saturday, 23 August—that at least 30 children brought into Australia for adoption may have been stolen from their parents as part of a child-trafficking network in India—are of the most serious nature. The report refers to one case in particular in which a nine-year-old Indian girl called Zabeen, stolen as a two-year-old, has been adopted by a family in Queensland, innocent of her origins and the circumstances in which she came to Australia. This appears to be but one of several such cases. The allegations demand a clear and considered response.

The Attorney-General’s statement is the response by the Australian government for which we have been waiting since the reports first surfaced. It is of great concern to the opposition that there has been no clarity or leadership from the government on this important matter. This has unfortunately been compounded by the Attorney-General’s empty statement.

Crimes pertaining to the illegal trafficking of children are among the most insidious imaginable, whether they involve taking children to serve as child soldiers or sex slaves or even to sell them as commodities to overseas adoption agencies. This is only one step removed from the farmers who buy children to work on the cocoa farms of Ghana and the Ivory Coast. These child slaves labour at great risk to their personal safety. They are exploited with no regard to their futures. Such examples generate public outrage, as World Vision’s ‘Don’t Trade Lives’ campaign has demonstrated. On this matter, I note with great concern that the government have declined to support my recommendation that chocolate from non-fair-trade sources be removed from all Commonwealth departmental vending machines. I use this opportunity to again urge the government to reconsider their course of inaction in this area.

Returning to the core subject of the Attorney-General’s statement: although it is far from clear from the vague terms in which the statement is couched, it appears to be the government’s position that, as the child in question is an Australian citizen, the adoption of the child stands, as far as Australian law is concerned. However, while saying that, he has also acknowledged that if the allegations are proven then the birth parents may be able to bring a case in the Family Court for the restoration of the child to India. The position of the government would thus appear to be inconsistent. Is it the policy of the government that the interests of the Australian adoptive parents should prevail over the interests of the overseas parents from whom the child was abducted? Or is this a matter which depends upon a determination by the Australian courts where the outcome may vary from case to case? If it is the latter—

Mr McClelland—Yes.

Mr PYNE—and the Attorney-General confirms that it is the latter—then will the Australian government intervene in such proceedings? And what position will it take if it does? The Attorney-General’s statement leaves all of these issues unclear.

It is not enough to say that the best interests of the child will be the governing criterion, for that statement alone provides no clear guidance as to the policy of the Australian government on any of those issues. It is all very well for the Attorney-General to make his ministerial statement on behalf of the government as if he has done his job in relation to this matter, but all he is doing in
reality is deferring the matter to the courts and hoping for the best.

The fact is that he has left a string of key questions unanswered in relation to this matter. Can the Attorney-General assure the Australian parents that they will not face the expense and uncertainty of proceedings in the courts of their adoptive children’s country of origin? For parents concerned about the status of their adopted children, are resources available to answer any questions or specific concerns that they might have? Would Australian government assistance be available to either the birth parents or the natural parents in a circumstance such as the one reported on? Is it a condition of the granting of an adoption visa that the immigration department carry out checks as regards the legitimacy of the adoption agency before the adoption is granted? Are there plans for legislation to deal with the determination of the appropriate parenting orders where there is a dispute as to either the validity of the adoption or the antecedent circumstances in which the adoption occurred? The Attorney-General’s statement provides no guidance to any of these questions.

In addition, there are difficult questions as to the possible conflict of the laws of Australia and the countries of birth of adopted children, compounded by difficulties created by inconsistencies between the different laws of the various states within Australia. A number of these matters were considered by the Bishop inquiry into the adoption of children from overseas in 2005—and I note the member for Mackellar is in the House because of her ongoing and very genuine interest in the issues of adoption, both intercountry and Australian based—and, in September 2006, the previous government accepted the majority of the recommendations, including taking on primary responsibility for the management of intercountry adoption programs and the establishment of new programs. I would refer particularly to recommendation 19 of the report, where the member for Mackellar’s committee found that the responsibility for establishing and managing overseas adoption programs should be:

... transferred to the Attorney-General’s Department in consultation with the Department of Foreign Affairs and Trade and the Department of Immigration and Multicultural and Indigenous Affairs.

Then, further, at recommendation 21, which was very sensible, the committee recommended that:

To assist Australia develop intercountry adoption programs with non-Hague countries, the Department of Foreign Affairs and Trade authorise AusAID to develop capacity building and governance programs to assist those countries gain Hague Convention accreditation.

These reforms would go a long way towards ensuring that these disastrous cases are not allowed to occur in the future. But I would ask the Attorney-General again: at what stage is the implementation of these recommendations? After 10 to 12 months of government, at what stage are these recommendations that were handed down in 2005 and which the previous government adopted? However, this government needs to take national leadership now to ensure that cases such as this one, where the child has been adopted in Australia from a country prior to that country’s ratification of the Hague convention, do not cause unnecessary trauma to the parents and, most importantly, the child involved. As the Leader of the Opposition said on 23 August:

... we mustn’t undermine confidence nor the ability of Australians to be able to adopt children from overseas. Many of these children desperately need homes. They can only dream of living in a country like Australia with a loving Australian family, and whilst the investigation continues, and we should get to the bottom of it and find out what went wrong, under no circumstances...
should we move away as Australians from our ability to be able to adopt children from overseas. Australia’s overseas adoption programs are important. They make lives better. To ensure confidence into the future, and to clarify the situation as regards those affected now, the Attorney-General must take leadership and clarify the policy position on behalf of the government—which, unfortunately, his ministerial statement has failed to do. I seek leave to move a motion to take note of the document.

Leave granted.

Mr PYNE—I move:

That the House take note of the document.

Debate adjourned.

MAIN COMMITTEE

Ministerial Statement: Intercountry Adoption

Reference

Mr PYNE (Sturt) (4.15 pm)—by leave—I move:

That the following order of the day be referred to the Main Committee for debate:

Intercountry adoption—Ministerial statement—Motion to take note of the ministerial statement: Resumption of debate.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Economy

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

The Government’s reckless political strategy of undermining economic confidence and putting Australian jobs at risk.

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 TURNBULL (Wentworth) (4.15 pm)—Australians are pleased to see a cut in interest rates today. But the question we are all asking ourselves is, ‘What was the price?’ The truth is that the price that has been paid is a slowing economy and thousands of jobs being lost—truly the slowdown we had to have. We must compare the track record of this incompetent government over its nine months in office with the 11½ years of economic management from John Howard’s government with Peter Costello as Treasurer. During that time we had strong economic growth and inflation was managed on average between two per cent and three per cent in accordance with the Reserve Bank’s inflation-targeting guidelines. Employment rose and unemployment fell to record lows and workforce participation increased. All of those economic indicators were strong and sustained. When the new government came in we were told that it was going to fight inflation. It said it wanted to put downward pressure on inflation. I see the Assistant Treasurer is here. Of course, the Treasurer does not deign to attend these debates. No, he is far too important. We would prefer to have the organ grinder.

The DEPUTY SPEAKER—The member for Wentworth will refer to members by their appropriate title.

Mr TURNBULL—Thank you, Madam Deputy Speaker. The government spokesmen on these issues have constantly told us how they will put downward pressure on inflation. In fact, honourable members will recall that the Assistant Treasurer acts it out and makes a gesture when he says that he is putting downward pressure on inflation. For a long time I thought he was putting an invis-
ble dog sitting beside him. Sometimes he
strokes it. He is trying to manage inflation.

The government is quite concerned about
putting downward pressure on inflation. But,
far from doing that, it is pushing it up. Infla-
tion is now significantly higher than it was
when the government changed. It is also sig-
nificantly higher than it was in January
when, to his eternal shame, the Treasurer
said the day before the Reserve Bank met
that the inflation genie was out of the bottle
and out of control. The CPI was three per
cent for the December quarter and the aver-
age of the trimmed mean and the weighted
median was 3.6 per cent. Now we are told by
the Reserve Bank that inflation is heading to
to five per cent. The Treasurer does not say that
the inflation genie is out of bottle anymore
because he realises the terrible damage that
he has done. Far from putting downward
pressure on inflation, he has exacerbated
inflationary expectations.

What a result we have seen. We have seen
growth slow, we have seen jobs lost, we have
seen household wealth falling and we have
seen real wages fall by one per cent since
this government came to office. Yesterday
the Prime Minister said that wages had in-
creased by 2.3 per cent. The poor fellow does
not know the difference between average and
aggregate wages, let alone real and nominal
wages. The fact is that real wages have
fallen. They have fallen because of the way
in which the government has exacerbated
inflationary expectations. We have also seen
an extraordinary collapse in confidence in
Australia. We recognise that the government
has to deal with the consequences of the
subprime crisis in the United States. The As-
sistant Treasurer seems to be surprised. He
may recall that back in January this year I
said that the Reserve Bank should stay its
hand and not raise rates because of the sub-
prime crisis. I could see that the credit
squeeze that was coming would increase the
cost of money and interest rates would go up
anyway, regardless of what the Reserve Bank
did. That is precisely what has happened.
Prior to the interest rate cut today, this calen-
dar year we have had more than one full per
cent of interest rate increases and half or
more of that is the result of the international
credit squeeze. I argued that the Reserve
Bank should be prudent, should take the in-
ternational conditions into account and
should stay its hand. It made its own decision
and chose to raise rates, and now it is choos-
ing to reduce them. Everyone is entitled to
their opinion.

But what the Treasurer did was very dif-
ferent. He did not give the Reserve Bank
advice; he egged it on to put up rates. He
said inflation was out of control. If you say
inflation is out of control again and again
and again, it becomes a self-fulfilling proph-
esy. If you undermine confidence in our fi-
nancial system, over time lenders will be
reluctant to advance funds and businesses
will be reluctant to invest. That is why we
have the remarkable situation that in Aus-
tralia, despite its strong economy, the level of
confidence is as low as it was when we were
having Mr Keating's recession—the reces-
sion we had to have. Of course, we are now
having another Labor economic downturn—
not a recession, we trust, but certainly the
downturn we had to have.

The Reserve Bank has cut rates today, but
it has not cut them because inflation has
eased; quite the contrary. It has cut them be-
cause of this downturn in economic activity.
It has cut them because it is concerned that
there will be very significant economic hard-
ship in this country. Dr Shane Oliver, the
Chief Economist of AMP, wrote today about
the environment that we are in. He said that
there has been an abrupt downturn in the
economy, evident in a slump in consumer
and business confidence to recessionary lev-
els. That is what the government has pro-
duced: a collapse in confidence to recessionary levels, falling retail sales volumes in the March and June quarters, a slump in housing related indicators, a sharp slowing in credit growth and a softening job market. The list of companies announcing major lay-offs has gone from a trickle to a torrent over the last couple of months. That is what was said by Dr Shane Oliver from AMP. That is the environment that the government has presided over.

We recognise that governments have to deal with all sorts of challenges, problems and threats from outside Australia and, indeed, internally. We do not say that the sub-prime crisis has been caused by the Treasurer or even the Assistant Treasurer. What we do say is that governments have to deal with these challenges like leaders. Instead of injecting confidence in the economy, instead of speaking positively about our economy, we have a Treasurer, an Assistant Treasurer and a Prime Minister who have consistently talked up inflation and talked down our economy. When you compare what they have said with what other economic leaders around the world have said, you see a stark contrast. At the same time as Wayne Swan was talking down our economy and talking up inflation, his counterpart in the US, Hank Paulson, was speaking confidently of the US economy—injecting confidence and calm into very troubled markets and taking real action to protect American investors and American homebuyers.

That is the stark difference between leaders who have the country’s economic interests at heart and politicians, like those in the government, who simply want to make a mean political point. They have had only one objective all year, and that is to blacken the economic reputation of the Howard government. They wanted to create the myth that John Howard left the Australian economy in a mess. There is nobody in Australia today—Labor or Liberal—who would not rather be living in John Howard’s economy than Kevin Rudd’s. There is nobody in Australia who would not want to see business and consumer confidence levels where they were last year, as opposed to where they are this year.

We had an interesting comparison given to us by the Treasurer and the Prime Minister earlier today about other countries where there has been a serious decline in economic activity and where the economy has slowed or may well be in recession. They cited Japan, Germany, France, Italy and Canada. There is no question that economic circumstances in those countries are much worse than they are in Australia but, in the last six months, confidence has collapsed far more in Australia than it has in those countries. Why is that? It is because the people of Japan, Germany, France, Italy and Canada have more confidence in their governments than Australians do in ours. Why is it that Australia, with a relatively strong economy in these troubled times, has seen consumer confidence decline by twice the global average? There can be no explanation for this other than a lack of leadership from the Rudd government. You cannot blame the global circumstances for this collapse in confidence, because these figures apply all around the world. Why has our confidence collapsed so much? It has collapsed because of a failure in leadership.

The issue is not just the Treasurer and the Prime Minister talking up inflation; it is not just the Prime Minister, only a month or so ago, talking about the ‘inflation monster’ wrecking havoc across the country. It is not just that. It is the sheer impotence and incompetence of this government. Take the big issue of our times and you will see failure. Look at the shambles over the emissions trading scheme: no policy development, no policy progress since the Shergold report of last year. Last Friday, the leaders of some of
the largest companies in Australia came to-
gether to see the Minister for Resources and
Energy and they told him that the incompe-
tent proposals in the green paper would cost
thousands of jobs and tens of billions of dol-
ors of investment. The parliamentary secre-
tary sitting across from me, the honourable
member for Brand, knows that better than
most, from his past experience with Wood-
side.

Looking at the great challenge of water,
we see the extraordinary change that we
made when we were in government, when
we said the interstate rivers and groundwater
systems of this country must be placed under
federal leadership. That was our national
plan for water security. That was our vision,
our leadership. What have we had from La-
bor? Oh, they endorsed it when they were in
opposition. That was part of the me-too strat-
egy. Now, in government, they have surren-
dered control back to the states. They have
sold out to Victoria. They have given the
Victorians, the New South Welshmen, the
Queenslanders and the South Australians the
money but they have surrendered leadership.
There is no longer a federal government that
is taking the lead on water. We are back to
the old days of consensus management
where, as we have seen for over a hundred
years, so little can be done.

Then of course we have seen the incompe-
tence over prices. Promises were made to
Australians about fuel prices, and what have
we got? Fuelwatch, this most incompetent
scheme, which every expert department in
this city has described as something that will
put up the price of fuel. It is a scheme that
has been condemned by the expert advisers
and, indeed, by the Assistant Treasurer’s own
colleagues. Worse still, we have got what I
think is the absolute pinnacle of incompe-
tence of this government: ‘grocery watch’.
For a whole year they trailed around super-
markets, dripping with empathy, and said
they would do something about grocery
prices. We have seen $14 million of taxpay-
ers money spent to produce a site that has no
useful actionable information for the con-
sumer but is simply a means of promoting
Coles and Woolworths and defaming and
undermining the commercial reputation of
the independent retailers who compete with
the majors. This is a government that has
failed to lead and failed to provide the confi-
dence we need. The slowdown we are having
is the cause of these interest rate cuts. This
cut in rates has been paid for with thousands
of jobs. (Time expired)

Mr BOWEN (Prospect—Minister for
Competition Policy and Consumer Affairs,
and Assistant Treasurer) (4.30 pm)—At the
outset, can I welcome the relief provided to
mortgage holders today by the Reserve
Bank. It is modest relief, but it is relief none-
theless. I welcome the relief not only as the
Assistant Treasurer but also as the member
for Prospect. As a local member, I have seen
the problems caused by 12 interest rate in-
creases in a row, as all honourable members
have. Western Sydney MPs have seen fore-
closure rates rise to record levels, and MPs
from around the country have seen cost-of-
living pressures go through the roof, partly
as a result of these interest rate increases. So
there is no doubt that the decision today is
welcomed.

When you have cost-of-living and infla-
tion pressures it is incumbent on the gov-
ernment of the day to do everything possible
to put downward pressure on interest rates
and inflation. The main mechanism that we
have at our disposal is budgetary policy. That
is why getting public spending under control
has been such a priority for this government.
That is why increasing the size of the budget
surplus has been so important to this gov-
ernment. That is why getting the previous
government’s out-of-control public spending
back under control has been so important to
us. As a Western Sydney MP I hold the view particularly vigorously, as do other Western Sydney MPs and other MPs representing large numbers of mortgage payers, that the No. 1 fiscal responsibility of a government in 2008 is to put downward pressure on interest rates.

But it is also, of course, important to invest for the future. If you look at the Reserve Bank decisions on interest rates over recent years you see a common theme. You see that our spending as a nation has outrun our capacity and that over the medium to long term more investment has been needed to improve our economic capacity—investment in infrastructure and investment in skills. This investment is necessary to improve our productivity and increase our competitiveness, but it is also important so that we can continue to grow the economy without bumping up against these inflationary pressures at every turn. Unless you invest in infrastructure and skills, you cannot have the type of growth in demand that we have been experiencing without putting upward pressure on inflation and interest rates. The Reserve Bank even today said this:

Inflation in Australia has been high over the past year in an environment of limited spare capacity and earlier strong growth in demand. In these circumstances, the board has been seeking to restrain demand in order to reduce inflation over time.

Some of the capacity constraints have been private sector and some have been public. But, unless you can increase the public sector investment, unless you can increase our capacity to grow as a nation, we are going to continue to put this pressure on the Reserve Bank. That is why investment for the long term has been the other priority of this government—investment in infrastructure and investment in skills—to fix 12 years of neglect and set us up for the future. That is why those two key priorities have been so important to put downward pressure on inflation.

Can you imagine what the Reserve Bank’s situation would be if we had not done that? Can you imagine the pressure they would be under if we had not reduced public spending to its lowest proportion as a percentage of GDP since 1989-90—if that room had not been created, if we had not done some of the heavy lifting for the Reserve Bank and brought budgetary policy back under control, which the Governor of the Reserve Bank has said publicly has been helpful?

Of course, what we see in this House and in this MPI is the contest of ideas on the economy. We should have the contest of the different economic narratives. We should have the great debate about ideas. On this side, we see those two priorities, but it is difficult to have that debate because on that side we simply see confusion. We simply see this blancmange of ideas and no coherent narrative; we see positions taken and overturned, not only in the same interview but also in the same sentence, by the Leader of the Opposition.

The contribution we have just heard from the shadow Treasurer is almost enough to make me feel sorry for him. You can hear the frustration in his voice at the interest rate reduction. You can hear the disappointment in his voice at the relief given to the Australian people by the Reserve Bank today, as he casts around for a logical and coherent economic argument to make. It is something his leader cannot do and it is something he cannot do, probably because they no longer know what they stand for. They no longer know what they believe in. Are they for higher interest rates or lower interest rates? Are they for higher inflation or lower inflation? Are they for tackling inflation or not? We just do not know anymore. We used to know what the Liberal Party stood for. We
did not agree with it, but at least we knew what they stood for. It is hard to agree or disagree with them because they cannot take one position which lasts for more than 24 hours, let alone more than one interview. It is hard to run an economic debate with the other side when they move around so much. Nevertheless, we will try.

The only thing consistent about the opposition’s economic commentary is its inconsistency. The only thing consistent about their approach is that they do not know what they stand for. The only thing consistent is that they do not know anymore whether they want interest rates to be lower or higher. No wonder the member for Higgins is trying so hard to stop the member for Wentworth from becoming the Leader of the Liberal Party.

Let us look at the criticisms of the government from the shadow Treasurer and the Leader of the Opposition. We heard some more just then. We have heard the shadow Treasurer time and time again say that the reason for interest rate increases has been that the Treasurer dared to point out that inflationary pressures in this country are a problem. Good old ostrich economics. The Leader of the Opposition even upped the hyperbole just then and said it was to the Treasurer’s eternal shame. The hyperbole went up a notch. Good old ostrich economics is back: stop talking about inflation and the problem will go away. That is economic theory No. 1 from the shadow Treasurer: just do not talk about it and then the Reserve Bank will not have to increase interest rates. His attitude is: ‘If only the Treasurer would stop talking about inflation then everything would be okay.’ If he were the Treasurer this would be his approach: speak no evil, do not talk about inflation and we will not put any pressure on the Reserve Bank, despite the fact that the Reserve Bank has been out there saying that inflation is a problem. I can picture the shadow Treasurer in his office tonight ringing the Governor of the Reserve Bank and saying, ‘Please don’t talk about inflation!’ Imagine him ringing all the board members of the Reserve Bank and saying, ‘You’re putting upward pressure on inflation by increasing inflationary expectations.’ That is the logical conclusion of the argument that he puts to the House.

Yesterday and today we have seen this economic inconsistency reach new heights. Yesterday we saw the Leader of the Opposition, full of courage and truck-stop coffee, giving orders to the Governor of the Reserve Bank, saying, ‘You must reduce interest rates by 50 basis points.’ Then a journalist had the presence of mind to say to the alternative Prime Minister, ‘Is this the approach you’d take if you were Prime Minister, what you’re calling on the Reserve Bank to do now?’ The Leader of the Opposition looked like a rabbit stuck in the headlights and said, ‘No. I wouldn’t be as irresponsible as to do that if I were Prime Minister. I’m only going to be as irresponsible as that if I am Leader of the Opposition.’ That was the Leader of the Opposition’s approach yesterday. The emperor has no clothes!

The shadow Treasurer has reached new heights today. He said this this morning—and this is a long one but a good one:

If rates come down today, and everyone expects they will, it will be because the economy is slowing.

... ... ...

The price we are paying for a cut in interest rates is a very, very heavy one.
What they have done is shatter confidence. A credit crisis, a credit squeeze is a collapse in confidence.

That tells us two things about the shadow Treasurer’s thinking today. The first is that he thinks that the global credit crunch is as a result of the actions of the Prime Minister and the Treasurer. We have heard him argue in the House that the global decline in consumer confidence is as a result of the actions of this government. Now he has taken it one step further and said that the global credit crunch is as a result of the actions of this government—which comes as a great surprise to Hank Paulson and Ben Bernanke in the United States, I am sure, but that is the argument seriously put by the shadow Treasurer.

But much more concerning is the shadow Treasurer’s approach to inflation and interest rates. He has been arguing for months that inflation is not such a problem. The Leader of the Opposition has said it is a charade. We have heard the member for North Sydney say, ‘Inflation is only a serious problem when it reaches Weimar levels.’ Presumably he means 1,000 per cent.

Mr Hunt—Don’t mislead.

Mr BOWEN—He said it! The member for North Sydney said it in a radio debate with me. He said, ‘Inflation is only a serious problem when it reaches Weimar levels.’ They are not my words; they are his. That is the level of economic credibility we get from those opposite. How can we take them seriously?

Dr Southcott—You are not serious.

Mr BOWEN—The member for Boothby says I am not serious. The member for North Sydney cannot be serious. He absolutely put those arguments in a public debate. They say Weimar levels would get their attention when it comes to tackling inflation.

The essential point is this: the RBA have made the point time and time again that they have needed to put upward pressure on interest rates to put downward pressure on inflation. And yet the mob opposite say inflation is not a problem. They refuse to help the Reserve Bank in their efforts. We know that by their words and we know it by their actions. We know it because under them public spending was increasing at 4½ per cent a year and we have had to reduce it to 1.1 per cent a year. We know it by their continuing actions, because they still do not get it. They still have not got the message. They are still insisting on being economic vandals in the other house. They still stand in the way of the government’s fiscal strategy. They still insist on blowing a hole in the budget surplus to assist the Reserve Bank. They want to leave all the heavy lifting to interest rates.

The shadow Treasurer thinks that a 25 basis point increase in interest rates is over-dramatised. Perhaps that is why he does not want to lift a finger to help the Reserve Bank, to create some room for the Reserve Bank to move, to give the Reserve Bank a bit of leeway to reduce interest rates, as they have done today. Those opposite do not seem to care about the increased cost-of-living pressures on the Australian people. They say it is all a charade, a fantasy. They say it is mission accomplished when it comes to inflation or that inflation is right where they want it. The Australian people respectfully disagree. The Australian people think that the increased cost-of-living pressures need to be dealt with. But they also think that the Reserve Bank need to be given a bit of a hand, that the budget needs to be brought back under control so that the Reserve Bank do not feel the need to continue to increase interest rates but can actually reduce interest rates.

We know that those opposite do not care. They think the work of budgetary policy should be to simply increase spending year
after year and not to help the Reserve Bank in their task. They think that they can continue to spend their way out of the boom, as they did. Let us have a look at what Stephen Anthony, a former senior official of the Treasury and the Department of Finance and Deregulation, said about the former government's spending policies:

The huge spending injection coincided with the further upturn in the business cycle. Blind Freddy knew that inflation would be the result.

So the opposition actually added to the inflationary pressures. They actually added to the pressures on interest rates.

We have taken a different view. It involved some tough decisions. It involved some unpopular decisions. It involved sitting around the cabinet table talking about how you could get the budget surplus up and government spending back under control. It was not easy, but they did not have the wit to do it. It fell to the Rudd government to do it. The former government did not have the wit to increase the budget surplus to 1.8 per cent of the GDP. They did not have the wit to reduce public expenditure to the lowest level since 1989-90, a level they never reached. They could never get government spending down to 1989-90 levels because they did not try.

The former Treasurer, the member for Higgins, said, ‘I’m worried about the sustainability of government expenditure,’ and he did not do anything about it. There were no efforts to rein in government expenditure to put downward pressure on inflation and interest rates. We saw him leave all the heavy lifting, all the work, to the Reserve Bank, and the Australian mortgage payers paid the price of 10 interest rate increases on the Howard government’s watch. There were 10 interest rate increases in a row, which added $400 to the average mortgage repayments of Australian families.

What a disgrace. And they have the temerity to come in here today, the day that a modest amount of relief is given to Australian mortgage payers, and complain about the heavy cost of the interest rate reduction—to say that the interest rate reduction is being paid for at too high a cost. I think Australian families, many of whom are on the edge of losing their homes, would beg to differ with the member for Wentworth. I think those Australian families in Western Sydney, western Melbourne and elsewhere who have been hoping and praying for an interest rate reduction would beg to differ with the member for Wentworth. They would disagree. They would respectfully say: ‘We think we know what the priority for the Australian government should be, and the priority for the Australian government should be to put downward pressure on interest rates. The priority for the Australian government should be to put downward pressure on inflation, not to let government expenditure run out of control, and, importantly, to invest in the future so we can increase—’

Dr SOUTHCOTT (Boothby) (4.45 pm)—The matter of public importance mentions putting Australian jobs at risk. I have listened very carefully to the Assistant Treasurer, and in 15 minutes he has not once mentioned jobs. It is a word that Labor ministers are unable to utter. They are like the Fonz—they are unable to say, ‘I was wrong.’ It is the phrase that they just cannot say. It is extraordinary that ministers of the Labor Party are unable to ever talk about jobs.

I would like to briefly talk about the record of the Howard government and the situation that the Labor government received on 25 November 2007. What we saw was that inflation over the period of the Howard government averaged 2.4 per cent. That compares with an inflation average under the Hawke and Keating governments of 5.2 per
cent. Unemployment, when John Howard came to office, was 8.4 per cent. It fell to 4.2 per cent, which was the lowest level since November 1974—the lowest level in 33 years. During the period that John Howard was Prime Minister and Peter Costello was Treasurer, 2.2 million jobs were created—1.2 million of those jobs were full time. We saw real wages grow by over 20 per cent. Compare this with under the Hawke-Keating governments, where real wages actually fell during the 13 years of those previous Labor governments.

The Howard government inherited the budgetary position of a $10 billion budget deficit and a $96 billion government debt. The government debt was eliminated in 2006, and the Labor government did not inherit any government debt. Peter Costello, as Treasurer, after inheriting a $10 billion budget deficit, delivered budget surpluses in 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006 and 2007. When Labor came to office, it inherited a budget surplus of over $20 billion. But what have we seen in the nine months since Kevin Rudd came to office? We have seen business confidence collapse. We have seen consumer confidence collapse. We now see those levels of confidence at their lowest level since the 1991-92 recession.

We are talking on a matter of public importance about jobs. I will give you a big tip here: we will not hear any Labor minister or any Labor speaker address the job situation, because over the last nine months Labor’s performance on jobs has been a disgrace. It is shameful. We have had employment growth running at 2½ per cent. About 250,000 jobs have been created in Australia each year since 2002. The budget forecast that employment growth would be half that, that unemployment would rise and that the labour force would actually contract. But it gets worse. The Reserve Bank in its August statement on monetary policy predicts that employment growth will fall further than what was forecast in the budget in only May—meaning that only 80,000 jobs will be created over the year. So we have gone from very strong jobs growth for five to six years to very anaemic jobs growth in the nine months that the Labor party has been in office.

The budget forecasts are that by the end of June the Treasurer, the Minister for Employment and Workplace Relations, and the Prime Minister will have a labour force smaller—with 134,000 fewer jobs—than what they had 12 months previously. Based on the Reserve Bank forecasts, it is predicted that an additional 100,000 Australians will lose their jobs over the next 12 months. But if the number of new jobseekers rises at the same rate it has over recent years, up to an additional 175,000 people may be out of work.

We have also seen, since the Rudd government came to office, more than 14,000 Australians made redundant. We have had some MPIs on jobs in the past, so I might just talk about some of the workers that have been made redundant just in the last three months: 150 workers at Clipsal in Nurioopta in South Australia made redundant; 600 workers at South Pacific Tyres in Somerton made redundant; 14 workers at Waverly Woollen Mills made redundant; 129 workers at Gunns made redundant; 600 workers at Insurance Australia Group made redundant; more than 100 workers at Cooper Standard Automotive made redundant; 1,500 workers lost from Qantas; 105 workers gone from CommScope in Brisbane; 685 Starbucks workers gone across Australia; 130 workers lost their jobs at Dartmoor sawmill; 640 workers gone at Don smallgoods in Melbourne and Western Australia; Motorway Tyres in Stawell, Victoria, made redundant 42 workers; at Holden 530 workers lost their
jobs; at Boral Timber 46 workers lost their jobs; at Constellation Wines in South Australia, Western Australia and Victoria up to 350 workers lost their jobs; and at SPC Ardmona 60 workers lost their jobs. The list goes on and on—at Cadbury 160 workers in Hobart and 25 workers in Melbourne lost their jobs; at Ford 300 to 350 workers in Geelong and Broadmeadows lost their jobs; at Parilia in Broken Hill 440 workers lost their jobs; at Babcock and Brown 400 workers lost their jobs; at Kenworth trucks 80 workers lost their jobs; at Fairfax Media 550 jobs have gone; at PBR in East Bentley 80 jobs have gone; and at Telstra in Geelong 100 jobs have gone.

That is Labor’s track record. It is impossible to read the whole list. They are just the workers who have had redundancies. I do not hear a lot from the Labor Party about these jobs. Quite frankly, it astounds me that the Labor Party have nothing to say about jobs. We had a very strong environment of jobs growth and Labor have trashed that in nine months. But we also see that, in the area of employment services, the new government are planning to spend less on employment services—the Job Network. Job Network had great results in finding people a job. The new government are planning to spend $279 million less on helping people to find a job over the three years from 2009. It is a very simple equation: more people are out of work, more people are losing their jobs, and the Labor government are spending less money on employment services and less money on helping people to get back into work. They have wound back mutual obligation. They have made it much harder for people to do Work for the Dole. If someone does not turn up to job interviews, or someone does not turn up to work experience, they lose a day’s pay and will not have any further action taken. At every point Labor have made the compliance regime much weaker.

Let us have a look at how out of touch the Labor Party are. We heard the Minister for Finance and Deregulation say, just over a week ago:

The overall employment figures are still very robust and we anticipate that they will continue to be in good shape.

This was after the recent job losses—14,000 workers losing their jobs. The Minister for Employment and Workplace Relations, speaking on RBA forecasts which showed job losses of between 100,000 to 175,000, called that a ‘slight softening of the labour market’. On the redundancies, she said, ‘there are some pockets of companies with particular redundancy problems and layoffs’. She just dismissed it. That is a disgrace from the Labor Party. The Labor Party should feel that they are able to talk truthfully about what is happening in the labour market. There is massive job insecurity there. We expect 100,000 workers to lose their jobs over the next— (Time expired)

Mr CLARE (Blaxland) (4.56 pm)—The opposition does not lack any front. You have to have more front than David Jones to come in and move an MPI like this one—an MPI that is proffered up about undermining confidence and putting jobs at risk. The author of this MPI, the member for Wentworth, knows a lot about undermining confidence and putting jobs at risk—more particularly, putting one job at risk; that is, the Leader of the Opposition. But the party that he belongs to is responsible for a lot more than that. They are quick to claim credit for the mining boom but not so quick to take responsibility for the impact of 10 interest rate rises in a row and what that has done to our economy. They were negligent in government and are now proving to be irresponsible in opposition.

I take this opportunity briefly to welcome the decision of the Reserve Bank this after-
noon. It is good news for the people of my electorate in Western Sydney. As I have said in this place before, it is the mortgage stress capital of Australia. More people in my electorate lose their homes to repossession than anywhere else in the country—300 last year, now counting three a day. I have heard some heart-wrenching stories from the sheriffs who have to execute these orders—stories about having to repossess the home of grandparents who have gone guarantor for their children, or turning up at the door and finding out that the young mother, still in her pyjamas, had not found out from her husband that he was behind in the repayments.

I have also mentioned in this House before that I was committed to trying to do something practical about it. One of the things I did was hold a housing stress information night over the break. I got 250 people together from my electorate to give them some practical advice and tips about how to make sure they do not lose their homes. The key to that is making sure they act quickly, not waiting until it is too late to get some free practical advice from organisations like the Smith Family. We heard some other traumatic stories that night—some stories of great difficulty in the electorate. One that I will share with the House today concerns a grandmother who, with her husband, has now moved back into the family home. She has moved back into the home of her 80-year-old parents. That is how hard life has become for her. She has had to rent out the house and with that rent she can manage to keep paying the mortgage. So life is very, very tough. I think these information sessions are the sorts of things that members of parliament should do, and I am going to do some more because more is needed.

On the wall at the sheriff’s office in Bankstown there is a whiteboard with 30 names on it. They are the names of the 30 people who are going to have their homes repossessed in the next two weeks. Today’s news will not help any of the people who are on that whiteboard, but it will help those who are still fighting to keep their heads above water, and it will make a difference, even if it is a modest difference, because the decision of the Reserve Bank today means that, if you have a mortgage that is worth about $300,000, it will mean an extra $50 that is now in your purse or in your wallet. All that money counts. An extra 50 bucks in the wallet or 50 bucks in the purse will help many people in my electorate keep their heads above water. It is also worth noting that it is the first interest rate cut in a long time. It is the first interest rate cut in seven years. It is the first interest rate cut that 740,000 people have ever experienced. They are the people who have established a mortgage in the last seven years. They have never seen a rate cut. Unlike the opposition, those 740,000 people will welcome the decision of the Reserve Bank today.

We are not out of the woods yet. As the Prime Minister said in question time, there are still difficult times ahead. The people in my electorate know this better than most because they are under pressure more than most; 12 interest rate rises in a row in the last few years have taken their toll. The total consequence of that is an extra $400 a month in mortgage payments. Four hundred dollars that is not in your wallet or in your purse makes a real difference, so it is going to take a lot of work to turn that around.

As I have also said here and elsewhere, there is an obligation on the banks in this country to pass that rate cut on, and I was heartened to hear from the Treasurer in question time today that the major banks have done so. Commonwealth, NAB, ANZ and Westpac have all promised to pass this cut on—and so they should. I would like to see all the other banks and mortgage providers make that same commitment by the end of
the day. They often say how committed they are to the community, how socially responsible they are. Here is an opportunity to turn words into real actions and make a difference to the people that are their customers, to prove not just that they are concerned about their shareholders but that they are concerned about the customers that make up their daily business.

Can I also say in contribution to this debate that I think it is about time that the opposition take a more responsible approach to this issue. They seem to be arguing that this cut is evidence that the economy is slowing.

Mr Hawke—It is.

Mr CLARE—That is right; that is exactly right. The question you have to ask yourself is: why is it slowing? The economy is slowing off the back of 12 interest rate rises in a row. Why did the Reserve Bank put interest rates up 12 times in a row? You have to ask yourself that question. Did they wake up one morning and think: ‘Hey, I would like to put more pain on the people of Australia, make them have to pay more for their mortgage than they did before?’ No. They did that to slow the economy because inflation was growing higher by the day. That is why the economy is slowing, because of 12 interest rate rises in a row. And who is responsible for that? The now opposition.

Like every economy in the world, we have been affected by the global credit crunch. The Prime Minister has mentioned in this House more than once that five of the G-7 countries are experiencing negative or zero growth, but all of this has been compounded in Australia by the negligence of the now opposition—10 interest rate rises in a row and the highest inflation in 16 years. To the people in my electorate, that translates, in real terms, into an extra $400 a week out of their wallet or out of their purse. What is the upshot of that? More people are losing their homes today to repossession than occurred during the recession—more today than 18 years ago. That is the consequence of 12 interest rate rises in a row, which have made it harder to borrow and less likely that people will borrow, because of the lower return on investment. That is what is sapping confidence. Everything the previous government did only fuelled growth. They continued to fuel the budget year after year—growing by four per cent. They were like the Imelda Marcos of Australian politics—they just had to get that extra pair of shoes.

Maybe I could refer to Ronald Reagan, one of the champions of those opposite. This is what Ronald Reagan, the old trickle-down champion, said about inflation:

Inflation is as violent as a mugger, as frightening as an armed robber and as deadly as a hit man.

On that basis, you would think the opposition should be charged with aiding and abetting, because what they did was put more pressure on the Reserve Bank to raise interest rates and mugged the Australian public to the tune of $400 a month.

This government is doing the responsible thing. We are acting responsibly to increase the surplus, doing what the Reserve Bank wanted us to do, making their job easier and giving them room to make decisions like the one they did today, and we are investing in the things that the Reserve Bank asked the opposition to do 20 times—investing in skills and infrastructure that will make cities work better and make business more efficient.

What are the opposition doing? They are doing a good job of standing up for people who want to buy a luxury car, they are doing a good job of standing up for the distillers in the Senate and they also feel pretty sorry for the banks. I cast my mind back to April, when the Leader of the Opposition said that we should feel sorry for the banks because
they have to repossess houses too. This is what he said at the Financial Services Institute of Australia:

... anyone that suggests that it’s not equally a significant experience for those who are the lenders misunderstands the nature of what you do and how many of you do it.

Mr Champion—Yes, but what did he say the next day?

Mr CLARE—What did he say the next day? I know what he said that day: he said that we should feel sorry for the banks because they have to repossess people’s homes. I tell you what: the last people I think we should feel sorry for are the banks. We should feel more sorry for the 10,000 Australians who lost their homes last year, for the 300 Australians in my electorate who lost their homes last year and for the three Australian families in my electorate who will still lose their homes today.

I will make a comment about jobs, because I know jobs came up in the previous contribution; we were encouraged by the member for Boothby to make a contribution about jobs. I know the member for Mitchell is itching to talk about jobs as well. I ask my colleagues: what has had a greater effect on job security in the last few years than anything else?

Mr Champion—Interest rates?

A government member—Work Choices.

Mr CLARE—Work Choices! That comes to mind as well, and they are just spoiling to bring it back.

In the time that I have got left I want to read a little story from Cries from the Workplace—20 women, 20 stories:

Since Work Choices our pay and conditions have gone to rock bottom. We used to get paid $16 an hour before Work Choices but after Work Choices we only get paid $11 an hour without proper conditions or entitlements—

Opposition members interjecting—

Mr CLARE—that is the consequence of what you have wrought on the Australian people. When you want to talk about jobs I am happy to talk about jobs and I am happy to tell you more stories from this book. You were negligent in government, you are irresponsible in opposition, you negligently allowed inflation to grow and, irresponsibly, you are now making sure that it only gets worse. (Time expired)

Mr HAWKE (Mitchell) (5.06 pm)—I want to add my voice to those who welcome the decision of the Reserve Bank to cut interest rates today, but I do accept the shadow Treasurer’s contention that this has come at a price for the Australian economy and indeed at a price for workers. I can remember when I went to get a job after I left uni, the last time Labor was in government. There were no jobs to be had for young people. Many young people went straight on to the unemployment queues. Today in this House there is a word that the speakers, except for the member for Blaxland, will not let cross their lips. That word is ‘jobs’.

There has been an economic slowdown; there is no doubt about it. Government members are quick to quote and welcome the Reserve Bank’s decision today, which we on this side also welcome, but they are not quick to look at what the Reserve Bank said about the economic conditions that we can expect for the rest of this year. The Reserve Bank noted that household demand is to remain subdued for the rest of this year. The economy is going to continue to slow down. That is the reason for the cut in interest rates today. The economy is taking a turn for the worse.

We do know that there is a crisis in confidence in Australia at the moment. It is a crisis in confidence that emerged upon the election of the Rudd government in November
last year. We know that small business confidence in the Rudd government has collapsed and small business confidence is at its lowest level on record. We know that consumer confidence in Australia has crashed by twice the global average. If we examine the reason for the crisis in confidence, we will find that it has been the result of a political strategy by the government. Once they were elected, they went about rewriting history by saying that somehow there was a problem with the economy before they took office.

The Rudd government spent months speaking about the inflation genie having come out of the bottle, and it turned into an inflation monster that was savaging the economy. If you think that talking about inflation genies and inflation monsters has not added to a crisis in confidence, you are dead wrong on that. It has directly helped to dramatically undermine confidence in Australia. When we first heard about the inflation genie and the inflation monster, inflation was running at 3.6 per cent. It is running at five per cent now, and talk of the inflation genie and the inflation monster has mysteriously disappeared.

Unlike the previous government, who were proud of the strength of Australia’s economy and proud of the strength with which they managed it, the current government have preferred to run the economy down. In doing so, they have run away from their core responsibilities. In fact, if we look back, we will see that Labor governments have traditionally been very good at running down the Australian economy. We all remember the ‘recession we had to have’. We all remember the ‘banana republic’. People will remember this era as well as the era when the inflation genie came out of the bottle via Mr Swan and Mr Rudd. The inflation genie and the inflation monster are political techniques that the government used to suit their own political agenda and, sadly, it worked. It is the downturn that we had to have, as the shadow Treasurer said.

If you look at the real factors that impact upon people and households, interest rates is one of those factors. But one factor that does not get a lot of attention but that directly affects how much money is in people’s pockets—in the pockets of, for example, the people in the electorate of the member for Blaxland, who had a lot to say on this—is real wages. Over the life of the Howard government, we know that real wages increased by some 20 per cent. There was more money in people’s pockets. We know that so far, under the Rudd government, there has been a one per cent drop in real wages.

If people are not confident, they do not spend. When investors are not confident, they do not invest. When banks are not confident, they do not lend. When businesses are not confident, they do not employ. That is the key point that the Labor Party are ignoring today. Their crisis of confidence has led to a downturn in employment. We heard of a softening in employment this week. I can tell this House one thing: there is nothing soft about a person losing their job. There is nothing soft about 134,000 people in one year losing their jobs. It is hard—it is hard for their families, it is hard on their communities and it is hard for the Australian economy. We need a government that recognises that you cannot run down the economy and you cannot create this artificial crisis of confidence. We need a government that talks up the economy and ensures that we have strong and confident policies. *(Time expired)*

Mr CRAIG THOMSON *(Dobell)* *(5.11 pm)*—I would like to start by acknowledging the interest rate reduction today and to talk about what it means for the people of Dobell. For the first time in seven years, they have seen interest rates go down. This means a great deal to families who are struggling to
make ends meet. Compare the government’s reaction to the reduction in interest rates with what we have heard from the opposition in the discussion on this matter of public importance. There has been gnashing of teeth and almost a cry that interest rates have gone down. ‘Interest rates have gone down. That’s terrible. That doesn’t fit with our narrative. Gosh, we’ll have to invent one again. The economy must be going to the dogs.’ That is the argument that we are getting today. That shows just how out of touch the opposition are. They are so out of touch that they almost begrudge the fact that working families are going to be better off today because there has been a reduction in interest rates, that they are going to benefit because interest rates have gone down.

I am glad that the member for Wentworth has, in his words, left for the day the ‘zoo’ that is the opposition to remind us of a few things. Let me remind the House of a few things. We remember last November when there was a collapse in confidence. That collapse in confidence was in the ability of the then Liberal-National government to take this country forward in a fast-changing and challenging world. Whether it was the economy, whether it was broadband, whether it was infrastructure or whether it was Work Choices, the citizens of this country lost confidence in the previous government to deal with these issues. We all remember the former Prime Minister, the former member for Bennelong, telling everyone that Australian working families had never been better off. We are reminded that last year the member for Wentworth said that interest rates had been ‘overdramatised’ and that a rise in petrol prices was not a concern at all for his electorate. The idea that, if we do not talk about these things, they will simply go away just shows the absolute lack of economic credibility that the opposition bring to this argument.

You will never hear us on the ‘non-zoo’ side of parliament say that Australian working families have never been better off. You will never hear us say the concerns about interest rates or petrol prices are overdramatised. There is a clear demarcation between us and them. We get the economy and how it affects every Australian; the mob on the other side simply do not. The member for Wentworth has been contradictory all year on many aspects of the economy. He has been more interested in the numbers in the caucus room than the health of the economy. On the question of unofficial interest rate rises by the banks, the member for Wentworth cannot stick to one single line. He has gone from blaming unofficial bank interest rate rises on the government and the Treasurer in particular to a wholesale defence of the banks. On 14 January, the member for Wentworth said: But the point is the Federal Treasurer, the Commonwealth Treasurer has enormous moral influence and Peter Costello used that very effectively, very forcefully and Swan, had he done that, had he obliged the banks, demanded the banks put their full justification out there, I have no doubt that they either would have not increased rates, or would increased them by a lesser amount.

It only took two months before he changed his tune. Two months later, on 11 March, when asked what he would have done to stop banks raising interest rates by a greater margin, the member for Wentworth said: You can’t stop it because they are independent businesses.

This is the contradiction that we get constantly from the opposition in relation to all matters, particularly in relation to matters of the economy.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The time for the discussion has concluded.
TAX LAWS AMENDMENT (2008 MEASURES No. 3) BILL 2008

Returned from the Senate

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

COMMITTEES

Public Works Committee

Report

Mr CHAMPION (Wakefield) (5.15 pm)—On behalf of the Chair of the Parliamentary Standing Committee on Public Works, the member for Port Adelaide, I present the sixth report for 2008 of the committee, relating to the proposed fit-out of new leased premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra; the construction of the Australian pavilion at the Shanghai World Expo 2010, China; the bridging of Kings Avenue over Parkes Way at the Russell roundabout, Canberra; and the construction of new warehousing facilities at Wadsworth Barracks, East Bandiana, Victoria.

Ordered that the report be made a parliamentary paper.

Mr CHAMPION—by leave—The report I have just tabled, on referrals tabled March-June 2008, addresses four proposals to the committee made in March and June 2008. First is the Department of Education, Employment and Workplace Relations proposed fit-out of new leased premises at Block 9, Section 31, Canberra, ACT, valued at $66 million. That proposal aims to co-locate office accommodation for the department, consolidate existing leases and provide employees with a modern, efficient work environment. Second is the Department of Foreign Affairs and Trade proposal for the construction of the Australian pavilion at the Shanghai World Expo 2010, valued at $49.38 million. The pavilion aims to promote Australia’s interests and strengthen ties with China through participation in the World Expo. Third is the National Capital Authority proposal for the bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT, valued at $26.6 million. These works propose to improve transport links between the city, Parliament House and the airport and redevelop one of Canberra’s worst traffic black spots. The last is the Department of Defence proposal for the construction of new warehouse facilities at Wadsworth Barracks, East Bandiana, Victoria, valued at $36.37 million. The improved warehouses will enhance operational capability and provide efficient logistical and warehousing support for Defence.

The committee has reported on an exception-only basis on issues that it thought warranted further comment. However, many more issues were raised at the public hearings, and I would urge those interested in any of these works to supplement the report with the transcripts and submissions available on the committee’s website. In all cases, the committee recommended that the House resolve that the works be carried out. It also made a further recommendation that Defence report back to the committee on the outcome of their third community consultation meeting on the new warehousing facilities, in response to the concerns of local residents.

The chair of the committee has asked me to thank the members and senators on the committee for their work in relation to these inquiries. I commend the reports to the House.

OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2008

Referred to Main Committee

Mr PRICE (Chifley) (5.19 pm)—I move:
That the bills be referred to the Main Committee for further consideration.

Question agreed to.

Mr PRICE—Could I inform all honourable members that this motion enjoys the support of the Chief Opposition Whip, the honourable member for Fairfax.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS AND OTHER LEGISLATION AMENDMENT (EMERGENCY RESPONSE CONSOLIDATION) BILL 2008

Second Reading

Debate resumed from 1 September, on motion by Ms Macklin:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr ABBOTT (Warringah) (5.20 pm)—by leave—I move amendments (1) to (7) as circulated in my name.

(1) Schedule 1, item 3, clause 204 (at the end of the table), page 3, (lines 9-11), omit the item.

(2) Schedule 1, item 10, clause 12, page 5 (line 7) to page 7, line 20, omit the clause, substitute

“12 Condition applicable to certain subscription television narrowcasting services provided in the Northern Territory under class licences

(1) The provision by a person of a subscription television narrowcasting service under a class licence is also subject to the condition that the licensee will not broadcast an R18+ program in a way that will enable a subscriber in a prescribed area (within the meaning of the Northern Territory National Emergency Response Act 2007) to view the program.

Sunset provision

(2) Subclause (1) ceases to have effect at whichever is the earlier of the following times:

(a) the end of the period of 5 years that began on the day after the day on which the Northern Territory National Emergency Response Act 2007 received the Royal Assent;

(b) if a shorter period is specified in a written instrument made by the Minister for the purposes of this paragraph—the end of that shorter period.

(3) An instrument under paragraph (2)(b) is a legislative instrument, but section 42 (disallowance) of the Legislative Instruments Act 2003 does not apply to the instrument.

R 18+ programs

(4) For the purposes of this clause, an R 18+ program is:

(a) a program that has been classified and/or assessed R 18+ by the Classification Board; or

(b) a program that has been classified and/or assessed R 18+ by the provider of the subscription television narrowcasting service concerned.”

(3) Schedule 1, item 10, subclause 12(17), page 7, (line 20), after the subclause insert

“12A Racial Discrimination Act

(1) Both:

(a) the following provisions:

(i) clause 12;

(ii) the remaining provisions of this Act in so far as they relate to clause 12; and

(b) any acts done under or for the purposes of those provisions;

are, for the purposes of the Racial Discrimination Act 1975, special measures.

(2) Both:

(a) the following provisions:

(i) clause 12;
(ii) the remaining provisions of this Act in so far as they relate to clause 12; and
(b) any acts done under or for the purposes of those provisions;
are excluded from the operation of Part II of the Racial Discrimination Act 1975.

(3) In this clause, a reference to any acts done includes a reference to any failure to do an act.”

(4) Schedule 1, item 13, page 8 (lines 23 to 25), omit the item.

(5) Schedule 1, item 16, page 9 (line 5) to page 12 (line 10), omit the item.

(6) Schedule 2, page 13 (line 2) to page 14 (line 22), omit the Schedule.

(7) Schedule 3, page 15 (line 2) to page 16 (line 7), omit the Schedule.

It is important that these amendments be considered and passed by the House because, unless they are passed by the House, the intervention—which the government quite properly supports—will be rendered somewhat less effective. As I am sure that the minister appreciates, one of the problems in the remote Northern Territory towns is the impact of pay TV porn, which is now readily available. The intervention originally proposed that pay TV porn simply be banned. Under the legislation, as put into the parliament by the government, that pay TV porn ban will be significantly watered down. Under the government’s legislation, there will only be a ban on pay TV porn if the town in question, the community in question, actually asks for it.

If a community is as troubled as many of these communities are, if people are as used to pay TV porn as it seems some are in these places, it is simply unrealistic to expect the communities to ask for this ban. Unless the amendments that I have just moved are passed, pay TV porn will continue to be available and it will continue to have the horrible impact that was pointed out by the Little children are sacred report. So these are important amendments. They do restore the intervention to its original form. They will mean that the pay TV porn ban, as proposed by the Howard government, is maintained. They will also ensure that the permit system, which allowed so many horrors to thrive in secret, is dumped, as originally announced by the Howard government.

I am disappointed that the Rudd government is making these changes, very disappointed, although I applaud the Rudd government’s maintenance of most of the intervention. The changes proposed by this bill in these respects do significantly water it down, and I think the Australian public would be disappointed with the new government if they were more aware of precisely what is happening here. I note that, in a pamphlet which the Prime Minister himself put out to mark the first 100 days of the Rudd government, he boasted that the new government had banned pornography in Northern Territory communities. Well, it has not banned pornography in Northern Territory communities. In fact, it is going to allow pay TV porn to continue to be broadcast in Northern Territory communities. It is rendering the original ban on pay TV porn ineffective.

I do not want people to think that the Prime Minister of this country might be a liar. The only way to make the Prime Minister of this country an honest man in respect of the claim that he made in that pamphlet after 100 days is to pass these amendments. We in the opposition are trying to help the government; we are trying to help the Prime Minister to live up to his claims. We cannot make the Prime Minister a good speaker in question time; we cannot make him a good manager of the economy; but we can, at least in this respect, make him an honest man, and that is why these amendments should be passed.
Mr Deputy Speaker, may I have your indulgence for just a moment before I sit down. As you may know, I have just spent three weeks in Far North Queensland working as a teacher’s aide in the Coen State School. I want to thank the Coen community for making me so welcome. I want to particularly thank the teachers and staff of the Coen State School for their help and encouragement. I certainly hope that a better policy generally emerges as a result of the engagement I have just had. Certainly, I now have an infinitely better appreciation of the vocation of teaching and of the heroism of people who teach for years in challenging and difficult locations. I salute them and I think it is appropriate that their work be noted in the national parliament.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.25 pm)—The government will not be supporting the amendments that the member for Warringah has just moved to the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Emergency Response Consolidation) Bill 2008. I will outline why. I think it is very important in this very sensitive area that we go through this in a very careful way and that we do not misrepresent what is actually happening. The previous government put in place programs through the original legislation that introduced the intervention that, to some extent, restricted access to pornography. When we were in opposition, we supported those proposals. Then the previous government introduced further legislation in September last year to introduce additional measures. It is very important to recognise that there are two different parts to the control of access to pornography. We are not seeking through this bill to go back on anything that went through the parliament in the original intervention legislation. It is important that the opposition recognise that. The opposition in fact were aware that the measures that they put into a bill in the parliament here in September last year were unworkable. They were also aware that amendments were being developed by officials at the time. So I think it is very important that we take away the rhetoric and actually recognise that we all want to have workable legislation in this area to restrict access to pornography.

Our bill—without the amendments moved by the opposition—will actually implement practical measures to extend the ban on X-rated, 18+ and unrated material in prescribed areas to include pay TV channels with a substantial R18+ content. The problem seems to be that the opposition do not want consultation or involvement to take place, with some suggestion that consultation in some way can rule out—

Mr Abbott interjecting—

Ms MACKLIN—No, this is a very important issue. This is critical, I would say to the member for Warringah. If, after consultation, it is my view as the minister that these restrictions should be in place, it is not the case that I cannot implement them, no matter the view that is held in the community. If it is my view, following consultation, that it is in the interests of the community that this ban go ahead, then it will. I think it is critical that this is properly understood and that we do not have any misrepresentation of what is being proposed, because I think we are all trying to find a solution to a very difficult issue.

This was not raised by the member for Warringah, but I gather that in the earlier debate on the bill it was suggested that we should consider issues other than just pay TV. That may be so, and it may be useful for the parliament to further consider access to pornography that is delivered by DVD or some other method, but I do think that it
should be recognised that this bill is going to further restrict access to R18+ programs through pay television, which was a concern raised, especially by women, during the *Little children are sacred* consultations. Even though the bill does not deal with every way in which pornography currently may be accessed in these communities, it is another step in the right direction. It is just not correct to say that it is going back on legislated items that the previous government introduced.

The member for Warringah also did not mention that opposition amendment (6) deals with the question of transport of prohibited X-rated and 18+ material. *(Extension of time granted)* I am not clear on why the opposition opposes this measure, because the way in which it has been constructed in fact mirrors the legislation that the previous government put in place for the transport of alcohol through the main highways of the Northern Territory, where those highways might have to go through prescribed areas. I remind members that if alcohol or, in this case, pornographic material were taken into prescribed communities it plainly would be against the law. The purpose of the amendment we want to make with our bill is just to enable this material to be transported along the highway in the same way that alcohol is under similar rules made by the previous government. It is no more and no less than the legislation which applies for alcohol.

On opposition amendment (7), access to Aboriginal land, we do not agree with the amendment as proposed by the opposition. They would be aware that their position is not supported by those who have the responsibility to make sure that the law is enforced in prescribed Aboriginal communities in the Northern Territory. Once again, I draw the attention of the House, and particularly the attention of the member for Warringah, to the submission made by the Northern Territory Police Association and the Police Federation of Australia to the Senate inquiry into the Northern Territory National Emergency Response Bill 2007. I quote from the letter from Mark Burgess, the Chief Executive Officer of the Police Federation of Australia, to the secretary of the Senate Standing Committee on Legal and Constitutional Affairs. He said:

Operational police on the ground in the Northern Territory believe that the permit system is a useful tool in policing the communities, particularly in policing alcohol and drug-related crime.

He went on to say:

It would be most unfortunate if by opening up the permit system in the larger public townships and the connecting road corridors as the Government intends—that is, the previous government—law enforcement efforts to address the ‘rivers of grog’—as described in the *Little children are sacred* report—the distribution of pornography—critical to the bill that we are talking about—and the drug running and petrol sniffing were made more difficult.

I think it would be wise for the opposition to take notice of the police. The police are the people who are actually responsible for dealing with unauthorised access to pornography, alcohol and other drugs, and the police take the view that the permit system can help in dealing with these very difficult issues by keeping the grog runners and other criminals out. They say it is a useful tool, and I think, as with all of the measures in this area, it is critical that we not be ideological; rather, that we take the advice of those who have responsibility for dealing with these very substantial social problems.

Mr ABBOTT (Warringah) (5.35 pm)—I do not wish to long detain the House on this matter and I am not going to do what some
members did in the recent MPI debate and impugn the motives of people on the other side of the parliament. I accept that the minister is doing her best. She is in a difficult position. That is why you are a minister, I suppose—to deal with difficult issues. But I do wish to make some further observations in response to her contribution.

Sure, the Howard government’s legislation on this matter did not fully proceed through the parliament. That is absolutely right. But the Howard government’s legislation on this matter was to implement the announced intention of the intervention—expressed very forcefully by the then government and supported, we thought, by the then opposition, now the government—to totally ban pornography in these communities. To make that ban real and effective, we proposed the legislation and put it to the parliament; the election intervened and it did not go through. But let’s not have word games here. The intervention is about a full and complete ban on pornography in these remote Northern Territory towns, and that is what the amendments that I moved seek to do.

If I may just briefly respond to the minister: how can it be in the interests of these remote communities to continue to have access to pay TV porn? What remote beneficial purpose does it serve these communities ravaged by domestic violence and, tragically, child abuse to continue to have access to sexually explicit, degrading material? It can serve no conceivable beneficial interest of these communities to continue to have access to this material. What circumstances might the minister come across that could possibly justify the continued access of people in these places to this material? She says that, in the end, it is her decision, but she is going to find that either it is acceptable or it is not. I challenge her to say when it might be acceptable to continue to have access to pay TV porn in these places. And if she does not think it is ever going to be acceptable to have access to pay TV porn in these places, surely the consultation exercise is just a charade. I think an honest government would simply ban the stuff, if that were its intention. It would not go through a sham consultation exercise, which is what I suspect the minister is hinting at.

The minister made the point in her contribution a moment ago that the Police Association wants the permit system to stay. I would take the Police Association more seriously on this matter if the Northern Territory police had done a better job in keeping the booze, the pornography and the violence out of these places. I know individual police have done the best they could under difficult circumstances, but there has been a complete, utter and total failure of policing in these places for years. One of the reasons it has gone on for years is that it has not been written about. It has been hidden from the Australian public by these permits. That is why the permits should go—not because we want all sorts of undesirable people to be flooding into these places but because if they do flood in we want to know about it. And the only way we are going to know about it is if we can visit and if journalists have complete access to these places, as they properly do to everywhere else in a liberal, free and open society. I commend these amendments to the House and, having heard the debate, I think we had better divide on it.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.40 pm)—I do have to correct the member for Warringah again, because the legislation that the previous government had in place was not about a complete ban on pornography. He may have wished it to be, but it was not. It was about pay television; it was not about DVDs. I think he should hold back a little bit on the
rhetoric. I would also say to him that one thing is for sure, particularly in Indigenous affairs: talking helps. I do think that the majority of people around Australia, no matter what their walk of life, would recognise that if you sit down and talk with people then you generally get a better result.

On the issue of the failure of policing in the Northern Territory, I think that is an extraordinary statement on the part of the member for Warringah. The police in the Northern Territory do an extraordinary job in very difficult circumstances and, of course, have access to communities. I would say that the biggest problem in the Northern Territory has been the lack of police in many communities. I think one of the very positive results from the intervention has been the increased number of police, from the states and also from the AFP. If there is one area that I think we probably agree on very strongly, it is the need to continue to increase the number of police in communities that very much need it. The police take the view that the permit system is helpful. We do need to increase the number of police. They do not have problems with access, and I think it is critical in this area of pornography that we actually make it plain that we are attempting to extend the legislation that was previously agreed to by the last parliament to further deal with pornography in communities. It would be helpful if we could get the support of the opposition.

Question put:

That the amendments (Mr Abbott's) be agreed to.

The House divided. [5.46 pm]
Question negatived.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.52 pm)—by leave—I present a supplementary memorandum and move government amendments (1) to (25):

(1) Schedule 1, item 3, page 3 (after the table item relating to a declaration that a subscription television narrowcasting service is a declared subscription television narrowcasting service), insert:

Refusal to approve an electronic format, or a publication, in relation to a subscription television narrowcasting service

Subclause 12(16A) of Schedule 2

The person who provides the service under a class licence

(2) Schedule 1, item 3, page 3 (after the table item relating to a refusal to revoke a declaration that a subscription television narrowcasting service is a declared subscription television narrowcasting service), insert:

Revocation of the approval of an electronic format, or a publication, in relation to a subscription television narrowcasting service

Subclause 12(16A) of Schedule 2

The person who provides the service under a class licence

(3) Schedule 1, item 5, page 3 (line 20), before “prescribed area”, insert “declared”.

(4) Schedule 1, item 5, page 4 (line 2), at the end of paragraph 5(3A)(c), add “and”.

(5) Schedule 1, item 5, page 4 (after line 2), after paragraph 5(3A)(c), insert:

(3B) If:

(a) a broadcaster provides a subscription television narrowcasting service under a class licence; and

(b) a declaration under subclause 12(6A) is in force in relation to the service;

then, unless the ACMA otherwise determines, the service is exempt from subclause (3A) of this clause.

Note 2: See also subclauses 12(16A) to (16C).

(8) Schedule 1, item 5, page 4 (after line 9), at the end of subclause 5(3A) (after the note), add:

Note 2: See also subclauses 12(16A) to (16C).

(9) Schedule 1, item 5, page 4 (lines 10 to 18), omit subclause 5(3B), substitute:

Note 2: See also subclauses 12(16A) to (16C).
A direction under subclause (3BA) is a legislative instrument.

Note 1: Section 42 (disallowance) of the Legislative Instruments Act 2003 does not apply to the direction—see section 44 of that Act.

Note 2: Part 6 (sunsetting) of the Legislative Instruments Act 2003 does not apply to the direction—see section 54 of that Act.

Schedule 1, item 5, page 4 (line 23), after "(3B)", insert "(3BA), (3BB), (3BC)".

Schedule 1, item 9, page 5 (lines 2 and 3), omit the definition of prescribed area in subclause 5(10).

Schedule 1, item 9, page 5 (before line 4), before the definition of R 18+ program in subclause 5(10), insert:

declared prescribed area has the same meaning as in the Northern Territory National Emergency Response Act 2007.

Schedule 1, item 10, page 6 (after line 7), after subclause 12(6), insert:

(6A) If a person provides a subscription television narrowcasting service under a class licence, the person may, with the written approval of the Minister, declare that the service is a declared subscription television narrowcasting service for the purposes of this clause.

(6B) A declaration under subclause (6A) can only be revoked under subclause (9).

Schedule 1, item 10, page 6 (after line 8), after "(4)" insert "or (6A)".

Schedule 1, item 10, page 6 (after line 8), after subclause 12(7), insert:

(7A) An approval under subclause (6A) is not a legislative instrument.

Schedule 1, item 10, page 6 (line 9), after "(4)" insert "or (6A)".

Schedule 1, item 10, page 6 (line 11), after "(4)" insert "or (6A)".

Schedule 1, item 10, page 6 (line 15), after "(4)" insert "or (6A)".

Schedule 1, item 10, page 6 (line 30) to page 7 (line 4), omit subclause 12(14).

Schedule 1, item 10, page 7 (after line 10), after subclause 12(16), insert:

Pre-broadcast data

(16A) For the purposes of this clause and subclause 5(3A), if, before a particular day, a schedule of the programs to be broadcast by a subscription television narrowcasting service on that day is:

(a) made available in an electronic format approved, in writing, by the ACMA in relation to the service; or

(b) made available in a publication approved, in writing, by the ACMA in relation to the service;

those programs are taken to have been broadcast by the service on that day in accordance with that schedule.

Incidental material

(16B) For the purposes of this clause and subclause 5(3A), if an item of incidental material is broadcast during a break in a substantive program, the item of incidental material is taken to be a part of the substantive program.

(16C) For the purposes of this clause and subclause 5(3A), if one or more items of incidental material are broadcast during the period:

(a) beginning at the end of a particular substantive program (the first substantive program) broadcast on a subscription television narrowcasting service; and

(b) ending immediately before the start of the next substantive program to be broadcast on the service;

each of those items of incidental material are taken to be a part of the first substantive program.

Schedule 1, item 10, page 7 (after line 14), after the definition of declared prescribed area in subclause 12(17), insert:
incidental material means:
(a) advertising or sponsorship material (whether or not of a commercial kind); or
(b) a promotion for a television program or a subscription television narrowcasting service; or
(c) community information material or community promotional material; or
(d) a news break or weather bulletin; or
(e) any other similar material.
(22) Schedule 1, item 10, page 7 (after line 20), after the definition of R 18+ program in subclause 12(17), insert:

substantive program means a program other than incidental material.
(23) Schedule 3, page 15 (before line 5), before item 1, insert:

1A Paragraph 70(2A)(d)
Omit “or as a member of the Legislative Assembly of the Northern Territory”, substitute “, as a member of the Legislative Assembly of the Northern Territory or as a member of a local government body in the Northern Territory”.
(24) Schedule 3, item 1, page 15 (line 10), after “land”, insert “, other than a sacred site”.  
(25) Schedule 3, item 1, page 15 (line 11), after “land”, insert “, other than a sacred site”.

I will make a few brief remarks about the amendments. Amendments (1) to (22) make minor workability improvements to the bill relating to R18+ programs and will amend the Broadcasting Services Act 1992. Three areas of amendment were recommended by the industry, Austar, and raised by the Senate Standing Committee on Community Affairs. Firstly, there will be provision for a subscription television narrowcaster to self-declare a service. Such a service would become a declared subscription television narrowcasting service, which would be subject to the new licence condition prohibiting the provision of the service to a declared prescribed area.

Secondly, the record-keeping rules will be refined to provide that the rules do not apply until a prescribed area has been declared and also to provide that records are not required for services that are self-declared. Thirdly, amendments will allow pre-broadcast data, including data in electronic form, to satisfy the record-keeping requirements.

Amendments (1) and (2) and (10) to (18) relate to self-declaring services under the Broadcasting Services Act. I do not think there is any need to go through these in more detail. They are aimed at making the legislation work more effectively. Unless the opposition have more that they want to question us about, I will leave it at that.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.55 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HORSE DISEASE RESPONSE LEVY BILL 2008

Cognate bills:

HORSE DISEASE RESPONSE LEVY COLLECTION BILL 2008

HORSE DISEASE RESPONSE LEVY (CONSEQUENTIAL AMENDMENTS) BILL 2008

Second Reading

Debate resumed from 1 September, on motion by Mr Burke:

That this bill be now read a second time.

Mr SULLIVAN (Longman) (5.57 pm)—I am pleased to rise in support of the Horse Disease Response Levy Bill 2008 and related
bills that give effect to a levy on the horse industry for response to emergency animal diseases that might occur in the industry. It was some 22 hours ago that the previous speaker, the member for Wide Bay, spoke in this debate, and I listened with some incredulity as he did so. From what he said, it seems to me that the opposition will be opposing this suite of legislation. I gather they will seek to block it in the Senate. This is a true case of opposing for the sake of opposing.

As I listened to the member for Wide Bay, two things occurred to me. The first was a story about Greg Chappell, a former Australian cricket captain, who was asked to comment on his own bowling prowess. His response was that he would love to bat against it for a living. I thought at the time that, for a living, I would love to follow the member for Wide Bay in any debate. He bowls such a slow left-arm, do-nothing ball. I also thought of the old political adage: where a man stands depends entirely upon where he sits. The member for Wide Bay is now sitting over there on the opposition benches, and his stance on this issue has changed markedly from just a few short months ago when he sat over here.

To give the member for Wide Bay his due, as agriculture minister in the Howard government from, I think, 1997 to 2005, he oversaw the introduction of what we now call EADRA, the Emergency Animal Disease Response Agreement. The legislation that he brought in, the Australian Animal Health Council (Live-stock Industries) Funding Amendment Act 2002, set the groundwork for a new and, as it turns out, very efficient means for the government and the livestock industries to deal with animal diseases as they arise.

In 2002, all livestock industries signed up to this process, with the exception of the horse industries, because there was some difficulty in finding a taxable output in the horse industries in order to create a levy for them to be involved in EADRA. However, at the end of 2006, the Australian Horse Industry Council, the Australian Racing Board and Harness Racing Australia wrote to the government proposing that a levy of a certain nature be the vehicle by which the horse industries could participate in this arrangement. At the time, the then minister, Mr McGauran, was busy drafting regulations to give effect to that levy proposal that came to us from the horse industry. However, the Government Solicitor advised that it was not possible to do this by regulations to the Primary Industries (Excise) Levies Act 1999 and there needed to be a principal act—in fact, this act that we have now. History will tell us that this act did not come to the parliament before the election in November 2007, but here it now is.

If it is true that the opposition is going to oppose this legislation and seek to block its passage in the Senate, as the member for Wide Bay has said, then its stance is reckless; it will leave the horse industry exposed to another outbreak of animal disease. In a press release, Senator Scullion, who has some role in these matters for the coalition, accused Minister Burke of being a bully and referred to a letter of 11 June that the minister sent to the horse industries. In that letter of 11 June—and you have to understand that, at that time, the equine influenza had been eradicated and the government had decided not to charge the horse industry for its containment and eradication portion—the minister said:

... I must emphasise that the circumstances surrounding this emergency response are unique and this decision should not be considered as setting a precedent of any kind—that is, the decision not to charge the industry. He continued:
No future assistance for emergencies will be provided until the horse industry becomes a full signatory to the EADRA... The minister then said that he, the minister, would be ‘most concerned if a future response to an emergency horse disease was jeopardised because the industry had not signed EADRA’. I do not regard that as bullying the horse industry. The horse industry had just been given a quite substantial gift from the government. They had had an emergency animal disease contained and eradicated at no little cost—except at no cost to them—and they were being told that they could not expect that in the future. In fact, it is unfair that they got it in the first instance in that those other livestock industries would not have been able to have that containment and eradication provided free to them.

As I listened to the member for Wide Bay speak, I thought, ‘He’s talking about his belief that the horse industry should be part of EADRA, yet he says he doesn’t like this levy mechanism and so he is going to oppose it.’ By opposing this legislation, he will create the circumstances, as did his own legislation of some years ago, where the horse industry cannot participate in EADRA—because he does not like the levy format. I ask members opposite to allow this legislation to pass and to allow the horse industry to decide whether they should be part of EADRA; if they decide not to be, they stand exposed to a future emergency and incursion of a disease.

In his contribution, the member for Wide Bay indicated that he did not like the levy proposal that was put forward by the horse industry to this parliament, but he did not offer an alternative. For seven years, he was involved as primary industries minister overseeing this particular part of the industry and had plenty of time to see what might have been a better levy proposal. But he did not offer any better proposal to us, and he certainly was not offering it to the horse industry 12 to 18 months ago when it came to the then government with a proposal that we are giving legislative effect to through this legislation. His only plan is to leave the horse industry exposed.

We cannot talk about this legislation without referring to the equine influenza event of 2007, first detected on 25 August 2007 and with the last case being identified, coincidentally, on 25 December 2007. This was really the first test of the emergency response arrangements that were in place as a consequence of EADRA. I think it is to the credit of the former government and of the officers associated with it that this was an outstanding success. The eradication of equine influenza occurred with great speed; it was certainly much quicker than would have been anticipated.

Those sections of the horse industries that do not wish to be involved with EADRA need to take this on board: as part of that response, around 79,000 laboratory tests were conducted and at 10,196 properties across New South Wales and Queensland which had been affected the cases were resolved. As recently as 30 June, the minister declared Australia to be free of EI. As I have said, if nothing else, that proved that our system worked and that it worked better than expected—and I am happy to give credit to the people who put that process into place. But the cost of EI to the Australian taxpayer was $350 million. Of that, $108 million represents the control and eradication cost—that is, what would normally have been repaid to the government by any other livestock industry and by the horse industry, had it been part of EADRA. Racing Victoria has thrown around an estimate of $1 billion as the cost to Australian racing.

In the absence of EADRA, there was not really any obligation for the government to respond in the way it did to the EI outbreak,
although the circumstances latterly have shown that there would have been quite an uproar if they had not. In any event, I understand that the reason that the government did not treat the horse industry as though it had been a signatory to EADRA was the approach by the horse industry in December 2006 suggesting a levy format that could be adopted to put the horse industry into EADRA. The government had, as I mentioned earlier, sought to act on that by regulation but, having been told that it needed to be done by a principal act, had not got around to doing that yet. I understand that it also required the approval of other livestock industries who are party to EADRA to agree to proceed as though the horse industry were a party.

Honourable members might find it interesting that in June 2004 the Australian Horse Industry Council convened a forum in Melbourne to discuss emergency disease issues. Bear in mind that they had been working on this since about 1998. The report from that forum contains these wonderfully prophetic words: ‘Even world’s best quarantine practice cannot give total protection.’ In September 2004, Andrew Ramsden, Chairman of the Australian Racing Board, warned the then minister, the member for Wide Bay, of the dangers of replacing AQIS vets with cargo staff. He wrote:

Equine influenza disease is the exotic disease that the Australian horse industry most fears. If equine influenza gained entry into Australia, it would close down racing and other horse events for several months with catastrophic consequences.

Clearly, the ARB did not at that time believe that they were being protected by world’s best quarantine practice. In 2005, the then minister responded and he assured ARB that an outbreak of EI was extremely unlikely, given the AQIS protocols. It is no secret that the Callinan inquiry set up by the former government was scathing of that government, its minister and AQIS, in particular the Eastern Creek facility where the outbreak originated.

I do not want to dwell any further on that, other than to say that I believe the lessons have been learned—or ought to have been learned—by the horse industry. But the only hint of an apology came from Senator Scullion, and that was more of an admission than a real apology anyway—it was just a debating point made in a rather nasty media release. I have certainly not seen or heard anything from the member for Wide Bay, who ignored advice from the Australian Racing Board in the first instance and made changes that made this outbreak more likely. He could have offered them a simple, ‘I’m sorry, folks; I stuffed up.’ That would have been a good start. But at the end of the day, as I said, Minister Burke indicated that in respect of the 2007 outbreak the horse industry would not be required to meet EADRA repayments. That is $108 million that was absorbed by the government. If you add that to the budget bill vandalism being undertaken in the other place by the opposition, the Rudd government has had to take another $108 million hit because of the former government’s bungling.

The electorate of Longman, which I represent in this place, both proudly and I hope diligently, is located on the rural-urban interface, to all intents and purposes. I know many local people will not thank me for saying this, but it is where Brisbane meets the bush. As a consequence, there is a substantial amount of horse activity within the electorate and the adjoining areas—the electorate of Fisher, represented by Mr Slipper, and the electorate of Dickson, which is close by. This includes breeding, training and spelling activities associated with both thoroughbred and harness racing. There are stud operations in the area for a number of horse breeds. There are riding schools and training centres, pony clubs, facilities for trail riding and rid-
ing for the disabled and vibrant equestrian sections at the local agricultural shows. And let me say, if I may, that I was very pleased to see the strength of those equestrian sections at the shows in the middle of this year, so soon after the equine influenza incidents. There is an indoor arena at the Caboolture showgrounds, which has in recent weeks hosted the state championship of the Queensland Reining Horse Association and a round of World Cup Jumping. The adjacent Alexander Barr Sporting Complex in a few weeks time will host the 2008 Queensland dressage championships. And the Moreton Bay Regional Council is to proceed with an equestrian facility at the Barr complex and the showgrounds, at a cost of around $3½ million, in partnership with the Bligh government of Queensland. That will be nowhere near as impressive as the $30 million Australian Equine and Livestock Events Centre at Tamworth, but it is a great facility for the equestrian community from Brisbane and the Sunshine Coast nevertheless.

In Longman, horses matter. That is why I am supporting this suite of bills before the House today. We have reached this point after a decade-long campaign from the horse industry associations, who want their horses, their industry, to have the same protection as livestock in other industries against an outbreak of animal disease. Responsible horse industry players want, and have wanted for a long time, to be signatories to EADRA. They want what is already in place and the certainty that is provided to other livestock industries. The chicken meat, egg, dairy, beef cattle, pork, sheep, goat and honeybee industries all have this protection, and all of them have been signed up since 2002. Supporting this legislation are the Australian Horse Industry Council, Harness Racing Australia and the Australian Racing Board. Those are the three organisations that proposed the levy that this legislation puts into place.

That is not to say that all the affiliates of the Australian Horse Industry Council are happy about it. I note, for example, the press release from one, which I will not name, which holds the view that this is ‘total unfairness to the horse industry’. The tenor of its argument appears to be that the eradication of exotic diseases in horses benefits not only horse owners but people outside the horse industry as well and, as such, to ask horse owners to bear any portion of the cost is an obscenity. I note also that one group surveyed its membership, which overwhelmingly supported the horse industry signing up to EADRA, while overwhelmingly opposing the payment of any levy. You cannot have one without the other. You are either in and pay a levy or you are out. That is all there is to it. It is not a rational position that they are taking.

The Australian Horse Industry Council, as I said, are one of the responsible industry organisations, and they have been campaigning for a long time for inclusion in this. This suite of bills, if nothing else, is a testimony to their efforts, along with the efforts of other sensible industry sectors, and they can take some pride in the imminent enactment of it. Through their tenacity they have contributed to what, in their words, is the ‘future proofing’ of the Australian horse industry. Over a number of years they have produced logical, well-argued information for their members as to why they should be included in EADRA.

In the few moments that I have left, I will precis some of those views. Firstly, there needs to be an emergency response to any outbreak of exotic disease to minimise damage to the animals and the industry and permit a return to pre-emergency conditions. Secondly, no animal industry on its own can afford to accumulate the skills and resources necessary and maintain them in readiness for an outbreak. Thirdly, because exotic disease
incursions are unpredictable and can be transmitted rapidly across great distances, it is impossible to plan adequately or to acquire the capacity to respond in a timely manner. Fourthly, without a contract—that is, EADRA—there is no obligation on government to become involved in the event of an exotic disease incursion. Fifthly, under EADRA the government is obliged to provide and maintain resources to assist animal industries affected by an exotic disease incursion through identification, containment, control and eradication of that outbreak. There are a range of skills, a range of people, a range of resources and a range of powers that are needed in that event. The government has these; the industry does not.

In conclusion, this legislation will give rise to the industry’s participation in EADRA. It will give effect to what the industry declared it wanted so overwhelmingly at that AHIC forum in 2004: government assistance to control an emergency— (Time expired)

Mr HUNT (Flinders) (6.17 pm)—In rising to address the Horse Disease Response Levy Bill 2008, the Horse Disease Response Levy Collection Bill 2008 and the related bill, I want to begin with a simple proposition. The people of the peninsula, the people of Westernport and the people of Bass Coast who populate the electorate of Flinders are horse people. This is a sector, an industry, a passion and a pastime which is of extreme importance not just to the young and not just to families but to people of all ages across those sectors of the electorate of Flinders. So I want to proceed on three bases: firstly, to set out for the House the extent and scope of the horse industry within my electorate; secondly, to address the background to this particular legislation, which is the need to deal with and provide a framework for equine influenza, if there is a further outbreak, or other such similar exotic horse diseases; and, thirdly, to address the reasons why, whilst we are supportive of the general direction of taking further that which we had previously put in place, we believe that there is a fundamental unfairness in the allocation between the thoroughbred and racing industries and the heavy commercial sectors of the horse world and that sector, the 80 per cent, which is the domestic, casual, pleasure or not-for-profit part of the horse sector, the pony club end of the horse world.

Let me begin with the Mornington Peninsula, Westernport and Bass Coast and what the entire horse sector means to the Mornington Peninsula. It is a very important part not just of our local economy but of our sense of identity, of self, of the great majesty that is the Mornington Peninsula, Bass Coast and Westernport at their best. For example, the Freedman brothers have three major racing stables on the Mornington Peninsula. There is Markdel, at St Andrews Beach, which I have had the opportunity to visit. It is a world-class training facility with 85 boxes—the home of a triple Melbourne Cup winner during its training days, now moved on to retirement—and a 1,400-metre grass track.

St Ives, at Merricks North, is the second of the Freedman brothers’ properties, with 40 stable boxes and a 1,600-metre training track. The third is Denistoun Park, at Tuerong, which has a 42-box complex and 1,650 metres of grass track.

There are many other major equestrian centres. These include Treehaven Equestrian Centre, in Somerville. That is a competition club. It is a venue for equestrian sports such as dressage, showjumping, showing and other activities within that world. We have Danbury Park, at Somerville, an indoor-outdoor equestrian centre. We have Carringbush Park, at Tyabb, which involves thoroughbred breaking, pretraining, float and barrier training, retraining and general assistance with horse needs. We have trail rides
and trail-riding small businesses: Arthurs Seat Trail Rides; the Ace Hi riding ranch; Gunnamatta Trail Rides; Willow Lodge, Somerville; Spring Creek; and a host of other different small businesses. All up, there are at least 16 other horse-training businesses listed on the Mornington Peninsula alone in the online business directory. Horse business is big business on the Mornington Peninsula and, more importantly than that, it is something that goes to the heart of young people, of young families and of our sense of self and identity. That is why this issue is of genuine and deep personal concern for literally thousands of people in the electorate of Flinders.

This brings me to the second issue: the bill and the background to the bill. The background is that, in 2002, the Commonwealth put in place the Emergency Animal Disease Response Agreement, EADRA. EADRA set in place a process for establishing a mechanism to facilitate rapid responses to and the control, eradication or containment of certain animal diseases. Most importantly, although that framework was never fully fleshed out, when there was an outbreak of equine influenza, what could have been a catastrophic disaster for the industry was managed, contained and dealt with. The original cause was a problem; we acknowledge that. But the containment and treatment as a result of what we had put in place was important and successful. It contained something which would otherwise have been far worse and would have done far more damage not just to the industry but also to the animals involved. It was a problem but it was dealt with, and now we look to the future, to the next phase. However, whilst we support very much the idea of moving forward to a more comprehensive arrangement, there is a fundamental unfairness in the arrangements set out in these two bills.

Let me turn to the three areas of concern we have with this bill. The first is that the bill fundamentally misallocates responsibility for the funding between the commercial sector and what you might call the non-commercial or the domestic, leisure or pleasure sector of the horse industry. On the figures available to me, 20 per cent of those in the horse industry are engaged in what you might call heavy commercial horse activities—the thoroughbred and racing sector. The other 80 per cent are in the domestic or pleasure sector of the horse industry—those associated with pony clubs, for instance, and private ownership. Yet this bill makes no differentiation between the burden to be borne by those who are simply owners of horses and those who are racers, trainers or breeders of horses.

There is a fundamental imbalance here, and it has two bases. Firstly, there is a higher risk which results from the importation of horses not for domestic use but for the heavy commercial sector. If disease is going to enter Australia, it is almost certainly going to be from activities within the 20 per cent of high-value horse activities. Secondly, there is a higher return for those in the 20 per cent of high-value horse activities, and they are the ones who will receive the benefits and rewards of a stable horse industry. And yet it is the 80 per cent who have a low level of risk and a low level of return who will bear a high burden of cost and responsibility.

That is why we have a fundamental problem with this bill. We have a problem not with the objective, not with the intention, but with the application and the levying of a heavy burden on the sector which neither risk bringing diseases into Australia nor enjoy returns from their horse activities. That is the problem. What it means is that mums and dads on the Mornington Peninsula, on the Bass Coast and across Westernport will bear the cost for high-profit, high-income areas. It
is about a fair go for the horse sector on the peninsula. And this bill—and I say it with great sadness—does not achieve that outcome.

The second of the three areas of concern is that we have seen clear groups who distance themselves from this bill. The Queensland Horse Council, for example, the National Campdraft Council of Australia and the pleasure horse and hobby horse sectors have all been critical of what is in this bill. The reason why, at the end of the day, we have to reject it is that—and this is the third point—there is an unfair impact. It does not, as a result, address the threat properly, and there are also failings within the bill in terms of preparation for future outbreaks. The intention is good. The execution is bad. But the unfairness is utterly unacceptable to us.

I want to finish by paying tribute to and honouring those groups I outlined earlier who are involved in the equestrian, horse-racing and general horse sectors. I commend their work. Sadly, we are unable to support this bill because of the unfairness involved in its impact on mums and dads, on small businesses and others involved in the horse sector, who will bear a disproportionate load and a disproportionate burden. But they do play an important role in the life of the Mornington Peninsula, Westernport and Bass Coast, and I thank them for their work. I say with great sadness that I believe the minister needs to go back, rethink the bill and look at a fairer system. That would give us all a chance of moving forward together.

Mr RAGUSE (Forde) (6.27 pm)—I rise to speak on the Horse Disease Response Levy Bill 2008, and the two cognate bills, the Horse Disease Response Levy Collection Bill 2008 and the Horse Disease Response Levy (Consequential Amendments) Bill 2008. I would like to follow on from some of the comments made by the member for Longman and those of the member for Flinders, who has made some very important points. I will talk about the bills and their effect on the constituents of my electorate of Forde. I will give a bit of detail about the legislation and then lead in to some of the consequences of not proceeding with it.

The purpose of these bills is to ensure that the horse sector receives the same certainty that other livestock sectors have when responding with government to emergency disease outbreaks. These bills allow the horse sector to become part of the Emergency Animal Disease Response Agreement, EADRA. The horse sector has sought to become part of this agreement for many years, and I know there have been many iterations and many discussions have taken place. But we are still in the position now where we need to move forward for the protection of the industry.

I do understand that the Queensland Horse Council are not happy with the levy mechanism, but to date I have not seen any proposed alternative position. So while it is clear that a debate needs to occur, in the absence of any clear understanding of their concerns, working with the wider horse industry on the positions makes logical sense, and I commend the government for proceeding in this way.

The purpose of these bills is to provide a method by which to generate funds for the Australian horse industry to repay Commonwealth payments in the event of an emergency horse disease outbreak. I note that, until these bills are passed, the horse industry will remain alone in not providing the levy funding that is provided by other livestock and plant industries around the country. It is also important to note that the peak horse industry bodies around the country support this legislation. They are the Australian Horse Industry Council, Harness Rac-
ing Australia and the Australian Racing Board. They have all confirmed with the government that they want to become signatories to the Emergency Animal Disease Response Agreement, thereby supporting the introduction of a levy system.

It was concerning to hear the contributions of members of the opposition, especially that of the National Party leader and member for Wide Bay. He intends to oppose these bills, even though he made several points that I and other speakers tonight have made. Politicising this issue at this time is very dangerous. Pushing a wedge into the industry, particularly into the support base in Queensland, is sheer madness. Without this legislation, horse industries in this country will have no protection. We are debating a simple but substantive insurance policy for everyone involved with horses, not only those in the so-called commercial sector. I will speak further tonight about the concerns expressed in my electorate about that differentiation.

Let us look at some of the facts about equine influenza and the consequences of an outbreak. Queensland was particularly affected by this major outbreak. To date, the federal government has spent more than $342 million in eradicating the virus in Queensland and New South Wales in financial and other assistance to individuals, organisations and businesses. The estimated industry losses as a result of the outbreak were in the vicinity of $10 million a week. Containment and associated costs were much greater than that, as was the effect on families and others involved in the non-commercial or leisure sector of the horse industry.

The total cost, including the initial losses and federal and state assistance packages, is estimated to be in excess of $473 million. That is an enormous amount of money and an enormous burden on our community. We must all remember that only New South Wales and Queensland had confirmed equine influenza cases. The member for Flinders spoke about other regions where, had the outbreak spread further, the situation would have been absolutely devastating. We must see ourselves as very lucky that this outbreak was contained such that southern industries were not hit and that equine influenza is not fatal. If it had been a fatal disease it would have wreaked enormous damage on the wider horse industry; in fact, it would have brought it to a standstill—which it did during the influenza outbreak in Queensland. The equine influenza virus is highly contagious and it spread at an alarming rate. The impact on the horse industry was huge and the figures I have just provided demonstrate the enormity of the financial cost.

The outbreak also had an impact on non-commercial and leisure horse activities in my electorate, including the local gymkhanas, horse shows and every other horse activity. I said at the beginning of my contribution that my electorate of Forde has one of the largest equine leisure sectors in south-east Queensland, and possibly throughout Queensland. The Gold Coast hinterland has small acreage blocks that are suitable for horses, and the cost of keeping those animals and maintaining their health is very high. The protection of a levy like this and the support that it can offer in providing vaccinations for the harness and racing industries is imperative. Of course, maintaining a strict quarantine regime costs money. Requiring everyone in the industry to pay a levy will certainly make it easier for individuals and it will lessen any financial burden.

What does this mean for Queensland? The effect of the equine influenza on the commercial industry in Forde was measured, but the non-commercial and leisure sectors were also affected. Many families faced enormous problems, and they are still contacting my
office seeking whatever support is available. The impact spread further than those people who own horses or use them for whatever purpose. There are many associated industries and businesses that provide feed or services. The transport industry is one example. People involved in transporting horses had no income for the nine months of the lockdown. That was devastating for them. Another issue was the lack of a direct link for financial support from any level of government, and people are still suffering as a result of that.

I will provide some background about the Queensland government’s response and in so doing illustrate the costs of this sort of outbreak. The Department of Primary Industries and Fisheries reported a positive move towards eradication of the disease on 18 February. If there is a wonderful side to the equine influenza it is that it can be easily controlled once it is identified. The vaccinations provided to one sector of the industry certainly expedited its control. The last known case was reported in January and by February there were no infected premises or dangerous-contact premises.

Living in and moving around the electorate of Forde, I was amazed to see the complete shutdown of many small properties. There were signs on the gates forbidding entry and no movement of horses was allowed. It was eerie. In February, the Queensland Premier said that the Queensland Department of Primary Industries and Fisheries would continue to monitor the situation and would ensure that if there were further outbreaks they would be controlled. The federal minister got involved and by February an approved emergency funding package was provided to assist those who were dealing with equine influenza. That included $97.2 million to reimburse the states and territories for funds spent fighting equine influenza and $255 million for financial aid to individuals and businesses in the horse industry.

I have heard no mention in the debate of the fact that although this is a one-off levy or registration fee it will not be applied retrospectively, nor will it recoup the costs of the equine influenza outbreak. I had several consultations with the minister at the time and I thank him for listening to those concerns.

I have had many representations from horse owners and from the pleasure horse industry in my electorate. These people have approached me for help, and they want to move forward and look at ways to ensure that something like this will never happen to them again. What were the previous government’s actions on all of this? The confusing thing for me is that everything pointed to a desire on the part of the previous government—to introduce this sort of program and yet there is a move not to support it, and I think that is concerning. It is certainly concerning for those in the leisure industry who are still hurting from the effects of the outbreak.

This legislation will establish a one-off levy, and that will be on the initial registration of horses. It will not be retrospective. The levy will be established at zero and the operative levy rate will be set in consultation with the horse industry. I think that is very important, and it is also important that we see the representative organisations working together to establish what the levy will be. It does concern me that we have one group in Queensland that is not yet sitting at the table. I hope that that group is not being used as a political wedge to slow down this process.

In my electorate of Forde there is a history of equine events, particularly non-commercial events. Some 12 years ago the area of Beaudesert, which is to the southwest of the electorate, established what is known as the Country and Horse Festival. It
is a major event for the region, for all sorts of reasons. Certainly it brings in tourism dollars, but it also showcases the region to many visitors and makes us proud in terms of what we as a community can do.

The equine influenza outbreak was particularly devastating, and we need to remember the effect it had on not only individuals but also a whole community. I hark back to my statement earlier that this really is about an insurance policy. Without even attempting to determine what price that levy may be, I have been assured by many that it is not of the ridiculous nature of some of the scaremongering that went on earlier this year. The federal government is willing to provide this sort of assistance via a levy. We will have the industry groups sitting around the table and we will be able to talk through what might be the best option for all of us.

As I said earlier, the seat of Forde probably has one of the largest horse populations in south-east Queensland. That came about simply because 30-odd years ago much of the region was cut up into rural-residential areas and so it lent itself to five-, 10- and 20-acre small acreage blocks. Following that, people looked at what they could run on those properties, and horses seemed to be the obvious choice. We have some major commercial operations in Wadham Park, and we also have a very unique race club and a race industry in the area. The historic Beaudesert Race Club, which meets about six times a year, was severely affected by the outbreak. While it is part of the commercial industry, most of the people involved in the race club are people who have leisure interests as well. They certainly make a lot of their income from providing services to that leisure industry. So while there is a race industry that underpins those activities in the region, all of these people were affected by this outbreak.

I want to mention a number of people who made representations to me. There was a fellow by the name of Mark Freemantle, who was heavily involved in the pleasure horse industry. He had concerns about the cost of the levy and also wanted to ensure that the levy would not be brought in retrospectively. As I said earlier, this government has listened to those concerns and is presenting the bill in its current form. Mark Freemantle came to me with a concern about the industry being penalised for its situation, about retrospective payments and about how the registrations would occur. There was a lot of misinformation around at the time. The interesting thing for Mark is that he not only had an interest in horses himself but his business was very much dependant on the horse industry. Due to EI, he lost his business. He was also involved in pasture and stable services, so one can understand the effects the nine-month shutdown had on him.

Likewise, Leonie Walsh, of the Riding Pony Stud Book Society, has a business providing insemination services. That business, of course, was restricted by EI, and, overall, the insemination rate was down by 10 per cent. That has carry-over effects for the future in terms of the progeny and other activities around that process. It is very much something that the community is suffering from and dealing with right now.

I often mention the fact that the electorate of Forde is in the Gold Coast hinterland. We sit in quite a large area within that region, albeit not as large as some of those northern and north-western electorates. But with 3,100 square kilometres in the Gold Coast hinterland, as you can imagine, we have lots and lots of acreage dedicated to horse breeding and the leisure horse industry. The nine months that people suffered through EI affected the community in so many ways. I will just give you a rundown on some of the social activities involved with pleasure riding.
within the electorate of Forde. There are 12 fairly large pony clubs in the electorate and I know that there are other smaller groups. Those 12 clubs are: Albert River, Beaudesert, Beenleigh, Canungra, Cedar Creek, Chambers Flat, Greenbank, Jimboomba, Kooralbyn, Mount Warren, Tamborine and Waterford. There is also a Riding for the Disabled organisation group at Greenbank. There are also trail riding groups and many, many other groups. As I explained earlier, the effect on these people has been devastating financially and the effect on their day-to-day lives has been considerable.

The Country and Horse Festival is a major event and has a 12-year history in this region. It is a major part of the horse industry and brings many people to congregate in this region. It was severely affected by EI. While people could not attend this major event during that period of time, it is certainly trying to get back on its feet. I commend the people who are involved with this event. Nancy Moss, who is the president of the association, has been able to weather the storm and work closely with the community to ensure that this event continues. I also pay tribute to the people who have worked in the background. The initiator of the program, Julie Moor, back in 1996 was very inventive in bringing this event to the region. Likewise, Vicki McAteer was the president for many years. All those people are certainly concerned about the future and ensuring that the effects of equine influenza are not lasting.

Getting back to the point of this whole debate—the importance of a levy and being able to respond to this sort of emergency when required—as I said, I am really concerned that the opposition dispute the levy and dispute these bills. They have declared that they are not going to support this legislation. I would urge them to consider the effect on the commercial industry. At this point there is no disease, but in the event of a disease striking families would be taken out. There are families who would be absolutely crushed and crucified by any further outbreak of disease. For that reason, as a small insurance policy, this levy is important to our community, the community of Forde, and communities that would feel the flow-on effects. I have had people in my office crying about the effects of the outbreak. No-one outside the commercial environment seems to understand just how devastating this has been to that community. These are people who have run small businesses—a lot of them not registered, for obvious reasons—simply to gain a little bit of financial support by supplying important services within that industry. Now, not only are the community deprived of services but their own families are deprived of support.

In conclusion, it is so important that we go forward with this levy. We are so lucky that the EI was not a fatal disease. If you look at some of the concerns in Queensland right now about the effect of the Hendra virus, people are very fearful that something like that breaking out could become a pandemic. Although I am confident that government will always be there, the immediate, emergency response is important to ensure that people can confidently go on with their business, whether that is in the non-commercial or commercial sector. For these reasons I commend the bills to the House.

Mrs MARKUS (Greenway) (6.47 pm)—I rise today to speak on the Horse Disease Response Levy Bill 2008, the Horse Disease Response Levy Collection Bill 2008 and the Horse Disease Response Levy (Consequential Amendments) Bill 2008. Whilst I understand the government was waiting on the outcome of the inquiry, it is unacceptable that an industry which has been crippled by equine influenza, and even today is still recovering, has had to wait over six months to know the costs to it. It was one year ago that
the community I represent was significantly impacted by an outbreak of equine influenza. The Hawkesbury is home to a racecourse, studs, polo and pony clubs, and many that are involved in the leisure horse industry. It is also home to many small businesses that are dependent on the equine industry for their livelihood.

Equine influenza had an enormous impact on the industry. Andrew Harding, who is the Australian Racing Board chief, was quoted as saying that ‘EI had cost the industry $4.3 million a day, comprising $3 million for racing and $1.3 million for breeding’. It was the coalition government who realised the challenges being faced by the industry and on 30 August announced $4 million worth of grants and then, 10 days later, an additional $110 million package. Acknowledging this was not going to be a long-term solution for the industry, the coalition government announced an additional $117 million in assistance on top of the $114 million already delivered.

The fact that this government is forcing 80 per cent of the total cost back onto an industry still recovering is unacceptable. I have a list here of a number of businesses that reside, work and operate in my electorate. I will not list them all here but I will list some: Sydney Equestrian Supplies, Newmarket Saddlery, Rug-A-Horse Second Hand Saddlery, Benson Custom Saddlery, Charlton Horse Stud Saddlery and Charlton Horseland, to name a few. Having attended many community meetings immediately after EI hit—and I have to say that Hawkesbury was one of the first areas that was impacted—I met with stablehands, farriers and also restaurants. Clydesdale restaurant was actually two Clydesdales drawing a carriage where people enjoyed a meal. All of these businesses were stopped overnight, their source of income immediately cut off. Other businesses, including the local blanket maker and breeders, were seriously impacted. While there is recovery, many of those people are still being impacted, particularly the breeders, and I will talk about them in a few moments.

There are over 1.2 million horses in Australia and, of those, between 50,000 and 60,000 are registered. That is a small number. The legislation is heavily targeted at a small number of horse owners who register their horses, and it is quite evident that only a small proportion of horse owners would be subject to this levy. This means that around 20 per cent of horse owners will be included in this levy simply because the majority of horse owners do not register their horses. The majority of liability is going to fall on the owners of pleasure and performance horses who do not generate an income. In the event of a disease, they will receive minimal, if not nil, compensation through EADRA. This is a huge burden to put on a small number of horse owners.

Earlier this year I met with the Arabian Horse Society, who are located in Windsor, and I listened to the challenges being faced not just by the pleasure and performance industry but also by breeders. One of the issues raised was the long-term loss of income for breeders, largely due to brood mares not being able to foal until next season. This will mean a whole year without an income. Many of these breeders rely heavily or only on this as their source of income. These people still have to feed and maintain their brood mares for the following season. A levy placed on them now will only add more strain as they attempt to make ends meet, due to not only equine influenza but also the increased costs of living we are seeing with increased fuel and grocery prices, mortgage rates and so on. As highlighted by the associations, the levy will also have the potential impact of discouraging people from registering. As a result of that, some of the associa-
tions who are already struggling with registration and need to continue to relate to breeders may be completely removed from the scene.

I have spoken this week with representatives from the horse industry who do not support the levy. This clearly contradicts what Barry Smyth from the Australian Horse Industry Council is saying. While I have every respect for his right to have a view, it appears that not everybody in the industry agrees with him. He claims that the industry unanimously supports this. I would have to say, after speaking to a number of people involved very closely with the industry, that this is untrue. The horse industry does support EADRA in principle, but Mr Smyth knows a majority in the industry do not support the levy—and who can blame them? Their concern is who is going to pay and the potential inequity of how this levy will be implemented.

The government is yet to tell the horse industry and horse owners how the levy will be collected and what the levy will be. The majority of the industry do not support this levy, even after the minister wrote to horse owners on 11 June this year and threatened not to provide any further assistance for outbreaks such as equine influenza if they did not sign up to the Emergency Animal Disease Response Agreement.

In February this year, the Australian Horse Industry Council released a follow-up equine influenza impact study. Of the 2,721 respondents, 33 per cent believe they will experience ongoing financial hardship beyond August this year. So we have an industry that are still recovering and now, when they are struggling to make ends meet, they are going to be slugged with a levy they know nothing about. We have a government that have no understanding of the complexities of the equine industry and yet they propose this unfair option. It is evident from the bills that have been introduced that the government are totally out of touch with this area. It is clearly evident that they do not understand the financial loss that people in this industry are still experiencing and will continue to experience over the coming year. The government believe that the levy should be placed on registered horse owners. What they have not considered is that if people know they have to pay a levy because their horse is registered they will not register their horse. If people do not register their horse then memberships of course will drop and, as I mentioned earlier, associations will be impacted.

These bills are another example of a government that look at a bandaid approach, rather than sitting down with a broad range of industry representatives to source real, practical solutions. This is just another example of the government’s desperation to increase the budget surplus they inherited so they can look like they are good economic managers. I support the opposition’s stance to oppose the passage of these bills and call on the government to stop playing with people’s lives.

**Mr Champion (Wakefield) (6.56 pm)**—I rise today, as a representative of many rural communities in South Australia, to support the Horse Disease Response Levy Bill 2008 and the associated bills. As they were for most people who grew up in rural South Australia, horses were a very important part of my local community. I vividly remember my sister being part of the pony club and my mum cooking the barbecue for the Marrabel rodeo day which the pony club participated in. That is an organisation I am now proud to be the vice-patron of.

In South Australia we were fortunate enough to avoid the devastation caused by equine influenza, or EI, when it broke out in
August last year in New South Wales and Queensland. Although we avoided the effects of the disease directly, we were certainly affected indirectly by the emergency response. The impact of the disease on horse-racing and the ancillary industries was huge. Horse-racing industries were basically closed down. Recreation and horse shows were postponed. The costs of maintaining the strict quarantine were severe. As many other speakers have said, the cost to the industry was hundreds of millions of dollars. The cost to the Commonwealth government was something like $342 million, so it was a very costly exercise indeed. It affected small businesses in my electorate. One lady who sold the ribbons for horse shows was terribly affected and received no compensation under the previous government’s guidelines. So it was obviously a costly exercise for both the community and the government.

That said, the emergency response was a good example of collaboration between government and industry. On 14 March the member for Watson, Minister Tony Burke, declared Australia provisionally free of the disease. I am sure that this House looks forward to that being recognised at the international level by the World Organisation for Animal Health in December this year.

I am proud to speak in support of these bills today, as they provide for an effective resolution of the crisis and frame our response for preparing for the future. The bills ensure that the horse industry is not saddled with the costs of the former government’s failure—if you will pardon the pun!

The government considered how to improve our response to a crisis such as EI by referring to the framework of the Emergency Animal Disease Response Agreement, EADRA, which commenced in 2002. This agreement sets out the roles and responsibilities of government and industries in responding to emergency animal disease threats in Australia. Under EADRA, the costs of responding to emergency diseases are shared by the affected parties, with the government underwriting the industry’s costs, as it is recognised that many industries will not have the reserves available to respond to a crisis. This provides certainty for the industry and a rapid and effective response for the country. The previous outbreak of EI should have seen EADRA tested for the first time. However, unlike many of the major livestock industries, the horse industry is not a party to EADRA. This is despite interest on behalf of the industry in joining prior to the outbreak.

Under the former government there was no framework in place to allow for an emergency response to a disease outbreak in the horse industry. Instead we had an ad hoc approach that did not take into account and did not plan for the cost of such a response. Fortunately, the common sense of this government and peak industry bodies such as the Australian Horse Industry Council, Harness Racing Australia and the Australian Racing Board has seen to it that we will not be left in the lurch again.

These bills provide for the mechanism that will allow the horse industry to finally become a party to EADRA. This represents an excellent outcome for the horse industry, Australia’s emergency animal disease response framework and the Australian people. Many of my constituents work in industries that are party to EADRA, and I recognise the importance of this agreement. That is why it is so important that we pass these bills, as the legislation will help the horse industry develop the confidence to become a formal signatory to that agreement.

With the horse industry’s assent to the agreement, we strengthen Australia’s emergency disease preparedness and its response infrastructure and we will be able to respond
even more effectively should we be unfortu-
nate enough to confront a crisis such as EI
again. Even the member for Wide Bay real-
ises how important this is. In his speech he
said:

I think it is beyond doubt that the horse industry
should be in EADRA; I think the industry itself
recognises that it should be there. The EI outbreak
is a demonstration of how it is important for this
sector to be a part of a disease eradication pro-
gram.

Of course, the member for Wide Bay knows
this all too well, having been advised of the
industry’s wishes before when he was the
minister responsible in the previous govern-
ment. Despite this, the opposition is happy to
oppose these bills and leave the industry ex-
posed yet again. This is the same neglect,
documented in the Callinan report, that led to
the disaster in the first place. It is the same
mob and the same attitude—not planning for
the future. Instead we have proposals for a
levy on horseshoes and all this hand wring-
ing about levies. When you get right down to
it, what the opposition will put its faith in is
luck and hoping a crisis will not strike again.
This is a familiar response from the previous
government.

When the member for Wide Bay was the
responsible minister, this issue was raised
with the government. As it has been revealed
by the Callinan inquiry, on 24 September
2004 Andrew Ramsden of the Australian
Racing Board wrote to the member for Wide
Bay, Mr Truss, in a letter titled ‘Inspection of
recently imported horses during postarrival
quarantine’. In that letter Mr Ramsden out-
lined the board’s concerns regarding the changes
made to AQIS and the importation of horses.
The letter said:

Equine influenza is the exotic disease that the
Australian horse industry most fears. If equine
influenza gained entry to Australia, it would close
down racing and other horse events for several
months with catastrophic economic conse-
quences. A quarantine breakdown is the only way
Australia will be exposed to this exotic disease.
He goes on to warn:

As recently as November 2003, private veteri-
narians attending recently imported horses during
post arrival quarantine played a prominent role in
a quarantine breakdown which led to a closedown
of racing in the Republic of South Africa until
mid-February 2004. In late 1986, the Republic of
South Africa suffered a similar fate. At that time,
racing, yearling sales and many other horse
events were suspended for over 4 months. Veteri-
narians from the private sector played a promi-
nent role in the 1986 outbreak as well.

There is further correspondence from Mr
Ramsden. He wrote again to Mr Truss on 6
May 2005. That letter and the other letters
were discovered in the course of the inquiry.
His letter of 6 May 2005 reiterates the
board’s concerns regarding quarantine pro-
cedures for imported horses, particularly vet-
erinary inspections for postarrival horses. In
his reply, the minister, the member for Wide
Bay, on 31 May 2005, said in response to the
industry’s concerns:

Horses imported into Australia from countries
other than New Zealand are directed on arrival to
an AQIS quarantine station or an AQIS approved
private quarantine station by an AQIS quarantine
officer. Horses are under AQIS control at all times
during quarantine. There can be no contact with
other horses, access is restricted and there are
decontamination procedures in place for all those
having direct contact. The horses are moved to
the station by private transport companies and
inspected by private veterinarians. The horses’
temperatures are taken twice daily for the 14 day
quarantine period by grooms attending the horses.
The inspection and temperature data is provided
to AQIS veterinarians who monitor the health of
the horses and decide what actions need to be
taken if a horse shows signs of illness whilst in
quarantine.

Then he concludes, and this is the extraordi-
nary bit of the letter:

The circumstances that led to the outbreak of
equine influenza in the Republic of South Africa
in 2003 could not occur under the current AQIS postarrival protocol.

What this letter represents is the previous government’s indifferent, ‘she’ll be right’ attitude. It is an indictment of a minister who dismissed legitimate industry concerns and showed breathtaking arrogance, incompetence and culpability in the outbreak of equine influenza in Australia.

The opposition’s position on these bills, in this parliament, at this time only adds insult to the injury. These bills create a scheme to raise funds to pay for the costs associated with responding to such an emergency. These bills provide certainty; the Liberal Party’s position and the National Party’s position provide uncertainty. This scheme is recommended by the peak industry bodies that I discussed before. It involves a levy on the initial registration of horses, appropriated through the Australian Animal Health Council and through amendments to the Australian Animal Health Council (Live-Stock Industries) Funding Act 1996. Regulations will be drafted to provide for an appropriate levy rate, although at this stage the rate will be set at zero. The levy rate will be set in consultation with the industry and will be subject to the number of registrations per year and the total costs of any emergency response. The levy will not be retrospective.

I hope that the industry will continue to be proactive in preparing for threats such as EI and that it proposes an appropriate rate to the minister when they have consultations on this matter. These schemes are not unique. All the major livestock industries are signatories to EADRA and all have arrangements in place to meet their obligations. While the levies for other industries are collected at the point of transaction, it is inappropriate to have a transaction based levy for the horse industry. After extensive consultation, it has been agreed that the most equitable point of a levy is that of registration. Under these bills the levy will apply only to the first registration of a horse and will not affect subsequent transactions or registrations with different industry bodies.

This effective response is also one that looks to the future. EADRA is a world-first industry and government cost-sharing agreement. It improves immeasurably Australia’s ability to respond to animal disease outbreaks. We should also note that two of the three peak horse industry bodies have formally applied to become a party to EADRA, and it is expected that the third body will formally apply once the legislation is passed. It is important that the House realises that until this legislation is in place there is no mechanism to recover the costs of any future response to an EI outbreak. This scheme is effective and forward-looking but it is also necessary and economically responsible. If the levy scheme is not implemented there is a risk that the Commonwealth will bear the costs of being unprepared into the future, as we have done in the past due to the failures of the former government.

We can be proud of Australia’s response to EI and of the hard work done by the minister, but we need a forward-looking approach to emergency disease response management, which requires that we pass these bills before the House today. They are effective, they are supported by the industry, they ensure that the Commonwealth will not be left with a liability incurred by the industry in the future, they ensure that individual owners are not left with enormous costs and they reflect the world’s best practice of EADRA. In responding to emergency animal disease threats we need to continue to support flexible and dynamic emergency response structures and encourage the horse industry to formally participate in those structures. For those reasons I commend these bills to the House.
Mr RANDALL (Canning) (7.10 pm)—I am very pleased to speak on the Horse Disease Response Levy Bill 2008 and consequential bills this evening. The equine industry is an industry for which I have a deep passion. I will set my bona fides at the beginning of this discussion. I have been around horses since I was a young boy. I was brought up in the country, made a natural progression through pony clubs, ended up riding in rodeos and semi-professionally trained racehorses for over seven years. I still maintain a strong interest in horses to the extent that I have been involved on the breeding side and I am currently the manager of a very good little Danetime filly called Chillisa that went back into work today. She won her first race at her first start as a two-year-old, and I am looking forward to better things with my racing colleagues in the near future. I understand that the whip actually had a nice punt on her when she won first up, so everyone was happy—everyone is happy when their horses win.

My bona fides go back even further than that. My grandfather, who was brought up in Angaston, used to break in remounts for the Light Horse Brigade. They would buy the horses from Tanunda and their horses would run them home to Angaston, where, during the First World War, they would break them in and ship them off to the Middle East. So we have a bit of history in the equine area, and I do have a deep passion for horses of all disciplines. It is on that basis that I wish to support whatever measure it takes to make sure that this industry is well and truly protected into the future.

Australia has a really proud history of quarantine and a disease-free environment. We know that there have been very few outbreaks of, for example, foot-and-mouth disease and mad cow disease. As we know, many other countries around the world are subject to these on a regular basis, but our biosecurity measures are such that these have very seldom been a problem for Australia. That is one of the reasons why we are a great exporter of animal products—beef, mutton etcetera—to the rest of the world, of live sheep to the Middle East and of live cattle to Indonesia. We are a very reliable supplier and we are essentially disease free. It was for this reason that Australia was so shocked a couple of years ago when this outbreak of equine virus hit the horse industry in general.

Who can forget that a country like Japan, with its proud racing history, was a country that had been crippled? The member for Wakefield talked about South Africa being crippled, and we never thought it would happen to us because we had such measures in place. But I do recall that great day a couple of years ago when two Japanese horses fought out the finish of the Melbourne Cup. Delta Blue beat Pop Rock, both Japanese imported horses for the race, which had gone through security. Damien Oliver, a great young Western Australian jockey whom I used to know when I was training down at the Ascot Racecourse, rode the second place horse and was so magnanimous in running second to the other Japanese horse. But Japan has had a problem with equine flu virus for many years. We know that there are going to be a number of horses coming from all over the world this year but not from Japan because there are still concerns about the Japanese racing industry and the equine flu virus.

We are getting horses from Europe and Ireland. In the past, we have had horses from Argentina. Lee Freedman trained a very good Argentinian horse called Savage Toss, which won a number of races in and around Melbourne. We have been very strong on quarantine security for horses for a long time, but the problem did manifest itself. I understand that the Callinan inquiry revealed that, even with all the security at the quaran-
tine station, it appears that there were flaws. Some of the measures taken have now had to be addressed as a result of this outbreak. I believe there was an occasional track rider who used to work casually at the quarantine station who then left the facility, and that is one of the reasons they believe this virus spread from the quarantine station and throughout the horse industry. It had a devastating effect.

To date, the federal government has spent something like $365 million or $385 million on the industry to address this issue. Trainers, jockeys, reinsmen, grooms, farriers, horse transporters, vets and all of the people in the industry in my state took a severe knock from this because, even though it did not reach Western Australia, we had what was called a stand still order on all our horses. You could not transport a horse anywhere in Western Australia. There were people caught in the north-west, for example, at picnic race meetings who had to stay there with their horses because they could not move them around Western Australia, even though the disease was not there.

Unless you have been a horse trainer or involved in the industry, it is difficult to imagine the impact of this. You get a very expensive horse; let us say you paid $100,000 for the horse. You spend thousands on getting it to the racetrack. It is ready for a race; it is ready to win a race. The minimum stake in Perth at the moment is $50,000. Now imagine that you cannot race your horse. Not only would it take away a large opportunity to recoup some of your outlaid moneys but it also would not do the horse any good. The horse is absolutely trained to the minute. It is like a coiled spring—ready to get onto the racetrack and do its work. It cannot race, so you then have to let it down by taking away its high-performance food so that the horse cools and goes off the boil. By the time you are actually allowed to race again, it could take several more months to bring the horse, like an athlete, to its peak performance. Some of these horses only race as two-year-olds. Some horses come good at three and some horses come good at four or five, but you might have missed that window of opportunity for a young horse. For example, fillies quite often do not go past three years. What are you going to do with an expensive horse when you are out of the game for six months? I am sure your wife would tell you that you are never going to get involved in the racing industry again after having wasted so much money.

I also speak about these bills with a special interest because my electorate of Canning has probably the largest number of people training horses for the trotting industry in Western Australia. The Pinjarra Trotting Club has regular meetings. It is about an hour from Perth, so it is a central racing point for trotters—or pacers as they really should be called, because they do not trot anymore. They are in hopples and they pace, but they are affectionately called trotters. In my electorate, most of the rural properties of five or more acres have a track where the horses are jogged up. A lot of people shift out of town so that they can train their own trotter. They are called owner-trainers. Some of them only have one or two horses. They might breed one and jog it up themselves to get it into a position where they can then get a good reinsman to drive it in races.

I also have a very good thoroughbred racing industry in my area. The Pinjarra Race Club is one of the best country tracks in Western Australia. The Holmes a Court family’s stud, at Keysbrook, is located in my area, as are many other very good studs. It is not just thoroughbreds; it is the pleasure horses—the connemaras, the ponies, the polo horses, the campdrafting horses and all of the novelty horses, such as the paint horses. There are a whole range of horses in my...
electorate of Canning. There are many pony clubs and eventing venues where they do dressage and bring their horses to a very high level of discipline. It is with quite a vested interest that I speak on these bills because, as I said, even though Western Australia did not have the EI disease, we are very mindful of the fact that it is in Australia now and it is probably lying latently somewhere, like most of these diseases do, ready to be brought to the fore again under the right conditions and the right circumstances. We are aware that, for example, in Queensland, the problem does not just confine itself to the normal sorts of diseases we are talking about now. Who could forget that famous trainer Vic Rail and his horse Vo Rogue? Vic caught the horse’s disease, which had crossed species, and died. We are suddenly finding a similar cross-species disease in Queensland now and the industry is under threat again, so the measures in these bills are very important.

In turning to the substance of the bill, I will not trawl over too much of what many of the other speakers have already said so very eloquently. Also, I agree with much of what they have said. The bill introduces a levy for the initial registration of horses under the terms of the Emergency Animal Disease Response Agreement, EADRA, to help repay the Commonwealth for financial assistance in the event of a disease outbreak. The bill provides for the collection of a levy by horse registration bodies, which will pay these levy payments to the Commonwealth. The bill imposes penalties for unpaid levies and provides for remissions of any penalties. It also provides for the gathering and collecting of information and documents, together with a strict liability offence for the failure to comply et cetera.

As I said, this is arguably the fourth largest industry in Australia. But one thing that the opposition have made clear today is that we are opposing this bill not because we do not believe that there should be a mechanism to deal with disease outbreaks but because we believe that the model is flawed. You only have to look clearly at the model to see that it is flawed. The largest number of horses in Australia are not the high-income earning horses—the thoroughbreds, the trotters and the stud horses—but the pleasure horses. There is going to be and is deemed to be an unfair levy on those involved in an industry where there is no financial return. Winning a ribbon or a cup at the local pony club does not do a lot to pay for the float, the petrol, the feed, the farrier’s work or the vet’s work. So there is an unfair and unequal burden on the pleasure horse industry. I do not think the government has thought this out very well. This is why the opposition are saying that this legislation should go to a Senate committee, which will think about a better and fairer mechanism by which to apply this levy.

I have contacted my racing industry people in the electorate of Canning—the Byford Trotting Complex, the secretary of the Pinjarra Race Club and turf club, as well as the Mundajong thoroughbred training association. They say that the collection mechanism and all the compliance work that will go with this legislation will be an additional burden on them. They believe that it is over and above what is fair in terms of its application. We are signing a blank cheque with this legislation. No specific figures have been mentioned. What is being said is that the cost of the levy will be based on the number of horses registered in a 10-year period as established by EADRA and divided by the cost of the measures. What an open-ended formula that is. We should be looking at a more specific and fairer mechanism to find out the real costs of this measure so that we can deal with the collection of a levy in a fair manner in the future.
Not all sectors of the industry have signed on to this idea, as we have already heard from the previous speaker, the member for Wakefield, although some are intending to. There is concern about a feral population of horses—300,000 brumbies—in Australia. There are probably brumbies in the ranges not too far from this place. I expect that there would be a huge population of brumbies roaming the outback and Kakadu. What if a disease got into the brumbies, donkeys and mules that live out there unchecked? Certainly no-one is paying for them. They would be the time bomb ticking away. The fact is that that has not been thought out very well at all. Who is responsible for them? Is it the Commonwealth? These animals are quite often on crown land. Is it the station owner who does not really know how many horses he has on his place? When shooters are brought in to get rid of these animals, that causes a lot of problems with animal rights groups, who suddenly say that this is a terrible thing. So there are a lot of open-ended questions that the Senate inquiry will flesh out—much to the disagreement of the government. You have to think these things out before you start charging people money and putting levies on them when you are not sure how they will work.

Mr Shorten interjecting—

Mr RANDALL—I am sure that all the ex-union executives have the answer to everything, and we may well hear their response shortly. At the end of the day, what this legislation will do, which is what we are looking to support—

Mr Shorten interjecting—

Mr RANDALL—I suppose there is a brumby in Victoria that you would want to put down very quickly, but that is not something that you could recommend here. The response levy will provide for the Commonwealth to transfer funds to the Australian Animal Health Council, the AAHC. This will be part of the horse disease response levy collection, which this bill does address. It replaces the existing subsection and provides that the AAHC has an obligation to apply a Commonwealth payment in accordance with priorities. The following are the priorities under the existing subsection: the first priority is to reimburse the AAHC for costs that the council incurs; the second priority is to discharge liabilities by non-government bodies to the Commonwealth under EADRA; and the third priority is the ability to make payments to research and development organisations or to promote and maintain the health of animals. That is very important because there has to be a strategy put in place so that, if a disease outbreak occurs again, we can deal with such a widespread emergency.

At the end of the day, unlike those on other side, we do not just sign blank cheques and go along with thin ideas. Even after having thought about it for some time, the government has come back with nothing better, sadly. As a result, we are going to put some flesh on this legislation and make sure that it can be recommended as fair and equitable. I am sure those on the other side will want things to be fair and equitable.

The proposed legislation enables funds to be raised directly from the horse industry in order to repay the Commonwealth for any future emergency. The idea is, in principle, good, but the collection mechanism is flawed. I commend this bill but not the collection method. We need to get on with making sure that there is a proper plan in place for the future. This is very important for the future of all the equine industries in Australia and for the biosecurity of Australia.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (7.29 pm)—The bills
before the parliament today—the Horse Disease Response Levy Bill 2008, the Horse Disease Response Levy Collection Bill 2008 and the Horse Disease Response Levy (Consequential Amendments) Bill 2008—will enable the horse industry to be better prepared for exotic disease outbreaks, such as the equine influenza emergency which occurred last year. Australia’s fourth largest industry was knocked hard by equine influenza and it simply cannot remain vulnerable to another disaster or to the response which the previous government delivered last time. The legislation will give the industry certainty for resourcing and responding to emergency horse disease outbreaks, ensuring that it will enjoy the same arrangements as other leading livestock industries in responding to and eradicating disease. It will help the industry fund its obligations under the provisions of the Emergency Animal Disease Response Agreement, the EADRA.

The peak horse industry representative bodies—the Australian Horse Industry Council, Harness Racing Australia and the Australian Racing Board—support the passage of these bills. These bodies are the only representative bodies of the horse industry that are eligible to become signatories to the EADRA. The EADRA, which commenced in 2002, is an important part of our national emergency animal disease preparedness and response infrastructure. The Australian government and all state and territory governments are signatories to this agreement, as are a number of the livestock industries, but not the horse industry. Similar arrangements apply to plant industries.

This legislation gives effect to a submission made to the former government in late 2006 by the Australian Horse Industry Council on behalf of the three peak industry bodies. The legislation will help the horse industry to have confidence in becoming a formal signatory to the EADRA and joining other major livestock industries that are parties to it. All have arrangements in place to meet their obligations under the EADRA in the event of an animal disease emergency. In most cases, this is a levy—if I can assist the member for Canning—set at a zero rate by regulation.

At the time of the outbreak of equine influenza, the horse sector and all those who depend upon it were left dangerously exposed because the sector was not a signatory to the agreement. One must ask: why did the previous government let this situation arise? But perhaps we should not be surprised, given its consistent neglect in many other areas that required the making of important decisions. Indeed, the minister responsible under the previous government certainly has had more success in his racing career and securing his post-parliamentary future than, indeed, in preventing the outbreak of equine influenza. Just over one year has elapsed and nothing seems to have changed in relation to those opposite. There is the same neglect, the same delay and the same ‘we don’t know enough about it’ attitude which gave us the equine influenza in the first place. Here we are trying to pass bills which offer certainty and protection to Australia’s arguably fourth largest industry, and yet again we get the same ‘wait-watchers’ diet of inaction by the opposition.

All sectors of an industry benefit from the eradication of an emergency pest or disease through lower ongoing disease management costs. A pony club horse is as susceptible to the disease as a thoroughbred is. A levy on horse registration is no different in principle to the wine industry’s levies where a grape is levied the same amount whether it is destined for the Penfolds Grange to grace the table of the Liberal Party or for the modest $10 bottle for the battler.
Mr SHORTEN—The National Party? I do not know what they drink; they probably drink Bundy. In other words, a disease does not discriminate between a pony club horse or a thoroughbred racing horse and neither does any proposed levy to help eradicate a disease.

The horseracing industry needs this. In particular, the horseracing industry and the people in it were severely affected by EI, and I wish to concentrate my remarks on this aspect of the industry. Horseracing is one of Australia’s oldest and most popular sports. In fact, the first organised thoroughbred meeting in this country was held in 1810 in Hyde Park, Sydney, with Governor Macquarie in attendance. Today, about two million Australians attend a thoroughbred meeting at least once per year and almost 500,000 attend at least one harness race meeting. In fact, I must add here that I fulfilled my attendance quota on Friday night at the Mooney Valley harness racing club, which is in the electorate of Maribyrnong. The Melbourne Cup is the race that stops the nation; it is viewed by 700 million people worldwide. There are many local annual cup days in many rural towns, which are huge events on the social calendar. There are 397 thoroughbred clubs. There are 116 harness racing clubs in Australia, which is more than in any other country in the world. These clubs are great organisations, many of whose committees and members work on a volunteer basis.

However, the Australian racing industry is also a major economic activity which makes a significant contribution to the national gross domestic product, employment and government revenue. The economic activity generated by thoroughbred racing and breeding alone contributes more than $5 billion to the national GDP. It is estimated that almost half of that amount—$2.2 billion—is generated in regional areas. Racing and breeding also help to sustain employment in many other areas of the economy. Let us not forget the feed merchants; the veterinarians; the farriers; the cleaners, who are members of the AWU; the hospitality workers; the transport companies; the caterers; the hoteliers; and, of course, the fashion industry. Australia’s thoroughbred-breeding sector is one of the largest and most successful in the world. Exports are an important part of the Australian industry, with Australian bloodstock highly regarded internationally. In 2006-07, some 2,378 thoroughbreds were exported from Australia on a temporary or permanent basis.

As I have said, horseracing is our fourth largest industry and many people earn their living from it. In fact, it provides full- or part-time employment for around 250,000 people—the equivalent of 77,000 full-time jobs. In 2006-07, we had 13,988 registered thoroughbreds. Whether it is a leading trainer with binoculars in hand monitoring the early morning fast work, a young country apprentice working for a thoroughbred breeder or the kitchen hand at the race club, so many individuals depend on Australian racing. We should never forget that, apart from the glamour of the Spring Racing Carnival in Victoria, the major cups, and the leading owners, trainers and jockeys, there are so many hardworking Australians involved in the industry trying to make ends meet.

Amongst others, I wish to acknowledge the workers who I organised in the racing industry for 14 years: the maintenance workers, the cleaners, the stewards, the barrier attendants and the stable hands. In my old job as Secretary of the Australian Workers Union, and as a director of the Victorian Jockeys Association for 10 years and patron of the Australian Jockeys Association, I was able to see firsthand the jockeys who do it tough. Throughout Australia, there are some 860 licensed jockeys who ride over 19,000 races at 2,690 race meetings at 370 race-
tracks across regional and metropolitan Australia. I am proud to have been heavily involved in improving the position of jockeys, such as by pursuing and delivering superannuation and retirement funds. But looking at the situation of the many jockeys that were affected by EI is very eye opening.

The Australian Jockeys Association is the representative body of jockeys across Australia. The objectives of the AJA are to raise the profile of jockeys as elite professional athletes; promote safety, industrial health and education; and negotiate and develop Australia-wide protection for riders, including insurance—particularly more favourable public liability rates—superannuation and a retirement fund such as we have already delivered in Victoria.

I think it is important when we talk about this legislation to mention the contributions of some of the individuals who work so hard for the advancement of the industry and the workers with whom I have worked—Neville Wilson, the father of Victorian jockeys, still riding and the president of the association; Des O’Keeffe, the highly capable chief executive officer; Ned Wallish, who has not been so well lately, the former executive officer of the VJA; Ross Inglis, who consistently makes a contribution to racing; John ‘Bluey’ McHugh, the chief barrier attendant at Moonee Valley, who has recently retired from his job at Australia Post; and John Paul Blandthorn, the organiser of the AWU in the industry. The AJA’s current goal is to get the racing industry better protection and support in place for its smashed riders. I am sure those people I just mentioned will be successful in their goal, because they have the best interests of the workers and the industry at heart.

When most of the Australian public think of jockeys they think of the big names—the Darren Beadmans, Shane Dyes, Damien Olivers and Craig Williams. They see disciplined athletes who work at their trade, but they also see the benefits—the glamour of winning the major races, the fame, the newspaper headlines and indeed the promise of financial security. But for the vast majority of Australian jockeys the reality of a riding career means an irregular income, regular injury, major insurance costs, equipment and travel expenses, pressure to remain fit and on their weight, and limited career prospects after an early retirement. Jockeys’ incomes derive from a riding fee per race of $130 to $160 and a five per cent share of prize money for stake earners. Although prize money can range from $4,000 for first place at a country race—$200 for the jockey—and up to more than $3 million for the Melbourne Cup, jockeys do not ride winners every day. Imagine a job where you are expected to be available to work 363 days a year and artificially keep your weight 20 per cent underweight. It is a job fraught with danger.

Mr Coulton interjecting—

Mr SHORTEN—Some in this place would find that very difficult, I suspect. Jockeys suffer at least one body fracture in their career. In fact, the AJA says that 89 per cent of jockeys have suffered at least one serious fall during their career. A study by the Victorian Institute of Sport, commissioned by Rob Hulls, the racing minister, found that jockeys typically have a bone density equivalent to that of an 80-year-old woman. Combine that with getting up at 4 am six days a week and travelling more than 160,000 kilometres a year. The average riding career of a jockey is only 10 years, with no job security beyond that. And the Australian Jockeys Association says that jockey numbers have declined by 43 per cent in the last nine years, with new starters declining by nine per cent. They anticipate a continuing trend of declining jockey numbers if in-
dustry does not take the chance to protect and improve conditions for jockeys.

In this regard, as I prepared for this legislation I noticed that the AJA last week launched a national campaign, ‘Racing for our Lives’, where Australian jockeys are taking a stand to improve protection in one of Australia’s most dangerous industries. The AJA has released a three-point plan to improve jockey protection by (1) ensuring that all jockeys have access to a personal accident scheme; (2) ensuring that all jockeys’ public liability insurance costs are covered; and (3) extending the National Jockeys Trust to ensure that jockeys and their families are supported in the event of injury, death and illness. Under the AJA’s plans these improvements would be funded by a modest one per cent increase in the percentage of prize money allocated to jockeys. An international analysis shows that Australia’s jockeys are amongst the lowest paid in the racing world. This would seem to warrant serious consideration by the racing authorities.

So, of course, the impact of the August 2007 equine influenza outbreak was a disaster for jockeys. It was a disaster for the Australian horseracing and horse-breeding industry. Its emergency financial assistance was modelled on natural disasters, in fact, such as Cyclone Larry. We should acknowledge the great help provided by public servants from the Commonwealth departments, in particular FaHCSIA, the department for which I am the parliamentary secretary. The direct costs incurred by the industry and by the Commonwealth in merely containing the outbreak totalled more than $130 million. The industry and its participants have lost many more millions of dollars of income due to the resulting cancellations and restrictions on racing and breeding activities.

I remember the day. By midday 26 August last year all weekend race meetings in Australia had been cancelled, and in the first week 50 thoroughbred race meetings were lost. In New South Wales and Queensland no metropolitan race meetings were held for three months. In New South Wales alone 193 thoroughbred race meetings were lost—30 metropolitan, 31 provincial and 132 country. This included the Sydney spring carnival, from which the industry traditionally derives a large portion of the annual wagering income that is used to fund all New South Wales racing clubs. In addition, 250 harness race meetings were lost in New South Wales and a further 81 race meetings were lost in Queensland. For the majority of participants, who live and work in New South Wales and Queensland, no race meetings meant no or significantly reduced incomes.

Whilst the owners and trainers struggled through the disaster that was equine influenza, it had a more devastating effect on the jockeys, the stablehands and the workers at the bottom of the tree in racing in Australia. The jockeys, for example, who earn a fee per race plus a percentage of the race money—that is of course if they are successful—were deprived of their earnings. Trainers’ incomes were substantially reduced, although of course their expenses were essentially unchanged. A report by the Australian Bureau of Agriculture and Resource Economics estimated that the direct costs of the equine influenza outbreak during the initial response period, involving containment and eradication through restricted movement, reached $500,000 per day for the disease control alone plus $4.6 million per day in forgone income for businesses affected by equine influenza, including racing, farming and recreational businesses. The racing industry derives 70 per cent of its income from wagering. The outbreak substantially reduced wagering income not just in New South Wales and Queensland but throughout Aus-
Australia, in particular in Victoria, as bets are taken on the national program.

In March 2008, the Rudd government announced that debate on the bills was postponed until after it had considered the findings of the commission of inquiry into the August 2007 outbreak of equine influenza in Australia, called the Callinan inquiry. Justice Ian Callinan was appointed by the previous government in September last year to investigate the outbreak of equine influenza. He was asked to report on the circumstances contributing to the outbreak of the disease and the need for any strengthened biosecurity procedures for the quarantine management of imported horses.

Mr Brendan O’Connor interjecting—

Mr Shorten—Indeed, the former minister has gone into the industry. The Callinan report into equine influenza found clear inadequacies in Australia’s quarantine system, best described in Commissioner Callinan’s own words. The opposition has not referred to this, but it is important that it is on the record. The former Justice Callinan said:

What I describe bespeaks an organisation that lacked clear lines of communication between those responsible for formulating procedures and work instructions and those responsible for implementing them …

This report is a scathing assessment of aspects of our quarantine and biosecurity arrangements, in particular for horse imports prior to August 2007. This does not reflect well on the previous government’s stewardship of the great Australian racing industry. Whilst there is no clear finding, Justice Callinan does make clear that the most likely way that equine influenza reached Australia was from horses imported from Japan.

The government’s response to the Callinan report was provided in a ministerial statement to this House by the Minister for Agriculture, Fisheries and Forestry, the member for Watson, on 12 June 2008. The minister advised the House that the government had agreed to every single one of Commissioner Callinan’s 38 recommendations. The minister said that he would ensure that the government’s response was implemented in full and without delay. We appointed Professor Peter Shergold AC, former Secretary of the Department of the Prime Minister and Cabinet, to independently audit the implementation of the government’s response.

On 11 June, the Australian government, the Rudd government, announced that it would not levy the horse industry to repay its share of costs of dealing with the 2007 equine influenza outbreak. As the horse industry was not a signatory to Australia’s EADRA at the time of or during the outbreak, it would not have been proper to legislate retrospectively to recover the industry’s share of costs. In announcing this decision, the minister noted that a year earlier, in 2006, the horse industry had proposed to the Howard government a levy arrangement to protect the horse sector against the impacts of emergency animal disease outbreaks. Under the previous government, arrangements were not made to sign up the horse industry to EADRA and to establish the sector’s emergency disease preparedness. Whilst the intention at the time was that the horse industry and the government would share the costs for the response to and eradication of equine influenza, the Rudd government decided that it would not be fair to ask the industry to pay for those costs, given that they were not a signatory to the agreement—but we can have no more Pearl Harbours in the horse industry.

The response of the coalition is: ‘Let’s have another inquiry.’ In fact, another important part of the government’s response to the inquiry is already well underway. On 19 February this year, the minister announced a
comprehensive, independent review of Australia’s quarantine and biosecurity systems, which is being led by Mr Roger Beale AO.

I congratulate the minister on his approach and his diligence in ensuring that the government’s response to the important issue of exotic disease outbreaks was comprehensive by ensuring that better arrangements exist into the future to protect the important horse industry. I commend not only the public heroes of racing but also the unsung heroes of racing, the jockeys, the stablehands, the cleaners, the barrier attendants and the members of the unions, who promote better conditions in the industry. I commend the thoroughbred owners, I commend the trainers, I commend the punters and I commend all of the people who have a share in a syndicate in a horse. And, to protect all of these great people, I commend the bills to the House.

Mr COULTON (Parkes) (7.49 pm)—I would like to commend the member for Maribyrnong for his speech because he has undoubtedly, in the last 20 minutes, highlighted exactly what is wrong with the Horse Disease Response Levy Bill 2008. In a 20-minute speech, he has allocated 100 per cent of his time to 20 per cent of the horses in Australia. He completely neglected to mention the pony clubs, campdrafters, cutting horses, pleasure horses and every kid that has a horse in the backyard. He very cleverly highlighted the money in racing, but he expects the poor parents that have a couple of kids at pony club to pay for the sins of the racing industry.

I welcome the opportunity to speak tonight on the Horse Disease Response Levy Bill and the related bills, as the equine influenza outbreak and the subsequent issues in relation to EI have severely affected many constituents in my rural electorate of Parkes. Firstly, I would like to place on the record my opposition to these bills. This legislation proposes levy collection methods that are not accepted as fair and equitable by the overwhelming proportion of horse owners who would become liable to pay any future levy. I have had many, many of my constituents contact me in relation to this legislation, and all of them have been of the opinion that the leisure horse industry will be unfairly targeted under this system.

This legislation stems, of course, from the outbreak of equine influenza in Australia. The EI outbreak had disastrous effects for many horse owners, professional breeders, the racing industry and local communities in my electorate of Parkes. The timing of the outbreak had an adverse effect on many local show societies in my electorate, as many shows were scheduled at and around the time of the EI crisis. I know many of my constituents had real problems with their horses as showgrounds went into lockdown and many people were stuck.

One of my constituents, who lives in Dubbo, has told me of her particular experience, which I would like to relate to the House as it is a good example of how some residents were affected during the crisis. This woman had taken her two children to the Parkes Showground to compete in the equestrian events at the show. Her children are avid riders, and they often spend weekends travelling to events. On this particular occasion they arrived at Parkes Showground on Friday evening unaware of what was about to happen. One hour before they got to the showground, a Centennial Park resident riding school instructor arrived with horses that were suspect, so everyone had to sit tight and wait. On the Saturday, a decision was made by riders not to travel and to wait until Centennial Park veterinarians approved any movement. The New South Wales Department of Primary Industries was also made aware of the situation. My constituent informs me that, although all of the DPI staff
were pleasant, no-one seemed to have any idea of the impact of the disease or how contagious it really was. The local vet was contacted but was unable to assist with the treatment required for sick horses.

At the time, all of those stranded in the Parkes Showground felt that a lot of information given by the different bodies was contradictory. The horse owners had to fight to get the DPI vet to the grounds to confirm that the horses from Sydney were carrying EI. When it was finally determined that they were carrying EI, 50 days of quarantine began for those horses held at Parkes Showground. No real assistance was given in caring for the horses at this particular showground and no financial assistance was given to the horse owners. My constituent, who lives and works in Dubbo, had to make a 300-kilometre round trip every day in order to be at her office during work hours and with the horses at night. From her perspective, the whole thing was incredibly costly and time consuming. And she was not the only one affected in this way. Many other horse owners across the country were left in the same position.

The impact of the outbreak spread far further than just to mothers and their children at local shows. The rural racing industry was also hit hard, with many more race days in my electorate cancelled as the movement of horses had to stop given the highly contagious nature of EI. The Dubbo Turf Club certainly felt the effects of EI. They had to cancel their biggest annual event, Derby Day, and they lost two other major events, the Gold Cup and the Melbourne Cup, and had to go nine months without any income stream. The club’s staff numbers had to be cut by 50 per cent, much-needed renovations were put on hold and their function rooms were not able to be utilised due to the quarantine restrictions. And Dubbo was not alone. For some of the smaller local race clubs in my electorate, their only race meeting of the year had to be cancelled, which also led to huge financial losses. It was also a shame for residents of communities who had to cancel their races, as the local race day is often a highlight of the year’s social calendar for many of us in the bush.

It was also a very difficult time for horse trainers, who often rely solely on their racing horses for income. Another group of horse owners affected were those who compete in polocrosse competitions. Despite common stereotypes, polocrosse is not just a sport for the wealthy, and many country residents who play the game were left without their sport and the socialising that goes with it during the outbreak. Others affected include farriers, feed suppliers, vets, event operators and saddlery suppliers. And a horse dentist at Coonabarabran who I spoke to was severely impacted, as he was unable to treat horses in the area.

It is clear that the EI outbreak was a terrible occurrence for many people and caused significant social disruption as well as negative economic impacts. There were also huge issues after the outbreak with the management of the compensation payments. Some money was made available to assist those affected, yet the administration of this money was a nightmare, and many of those who were deserving of assistance failed to obtain any of the funding. One group that could apply for assistance was local show societies, yet many were knocked back, despite having credible grounds for needing assistance. Mr David Moor, President of the Agricultural Societies Council of New South Wales, has informed me that just some of the New South Wales shows to miss out on assistance included Pambula, Bulli, Bemboka, Temora, Dungog, Jerrawa, Bulahdelah, Casino, Ashford, Camden Haven, Lithgow, Leeton and Berrigan.
Earlier I mentioned the Parkes Showground, where my constituent was stuck with her horses for 50 days. The Secretary of the Parkes Show Society, Kaye Bird, contacted me because the results of their claims for financial assistance to recover costs incurred in the loss of the 2007 Parkes Show have been most disappointing. Parkes had to cancel their entire show due to the outbreak, with less than 12 hours notice. Some of the costs that they incurred included: radio and television promotion, $5,045; entertainment, $6,273; judges’ expenses, $1,578; printing of schedules and tickets, $6,570; security, $638; telephone, $150; prize money, $587; New South Wales ambulance, $2,921; showjumping, $3,225; ribbons, $948; and public liability insurance, $6,234—a total of $34,169. All of these were direct costs which would have been covered by their gate entry fee, and now they have no means of recovering this money. So clearly there was something not right in the administration of the financial assistance.

Another issue that has been raised with me by constituents in relation to the financial assistance made available after the EI outbreak concerns taxation. For those show societies who were able to secure assistance, a tax file number had to be given as part of the paperwork. Many local show society members had to give their personal or business tax file numbers, even though the money was going straight to the show society. Come tax time, this money is treated as income, and many of the individuals who were just trying to help out now need to sort this issue out with their accountants.

It is evident that the entire EI outbreak was a complete disaster from the time it got into Australia in the first place to the containment of the disease and with the financial and social impact it had on many communities. I agree that it is our responsibility as elected members of parliament to do all we can to ensure that something like this does not happen again and that if it does we learn from our mistakes and have a viable and sensible plan in place. I do not believe that this legislation is the answer, and I think we must carefully avoid implementing policy on the run.

If this legislation is passed, it will mean that every single horse owner in the country will have to pay that little bit extra to keep their animal. The many pleasure and hobby horse owners who live in my electorate would be liable for the greatest financial burden under the levy proposal. Under the proposed bills, if a similar EI outbreak were to occur then 80 per cent of the costs to industry would be passed to the pleasure, performance and hobby sector, with only 20 per cent of the costs passed to the racing sector.

Clearly, this is not a fair or equitable distribution, and it would appear that the legislation is taking a swipe at country families. Many of my horse-riding constituents have already been badly affected by drought and have found it that much more difficult to manage the costs of horse feed. Increased petrol prices have also made it that bit more expensive for a mother and father to take their kids and their horses to their local show, pony camp or polocrosse match. If things continue along this trajectory, there will be fewer and fewer children involved in horse riding and eventing, which will be a great shame.

I can speak from firsthand experience of how fantastic it is for kids to be involved with their local pony club or show. When I was young, I often attended these events in Warialda, and when I became a father all three of my children were members of the Warialda Pony Club. I believe that having your kids involved with horses gives them wonderful opportunities. I know that owning a horse taught my children about the respon-
sibilities that go with having to look after a large animal, with all of the feeding, riding and grooming rituals that are part of the daily care that a horse requires.

Being involved with horses and pony camps also teaches children to work with others and gives them opportunities to represent their local area at competitions all across the state. Going to the pony club or riding at the show is an integral part of many country kids’ childhoods, and we should be doing all we can to encourage these activities. This legislation will make it harder for these great traditions to continue, because it will increase the costs for families who have horses. It may mean that some families will have to give up their horse-riding activities, and as a result pony club and showjumping events may no longer happen in country towns. That would be a great shame not only for the children who benefit from these activities but also for their families and the wider community. Horse-riding events often give parents the opportunity to come into town, to socialise with other families and to enjoy watching their children compete. At most of these events, there is usually a local service group, whether it is the Lions Club, Country Women’s Association, the Boy Scouts or the Apex club, who might run the canteen or the barbeque during the competitions or the pony camp. Quite often these horse events provide service groups with a solid opportunity to raise much-needed funds, and without them many volunteer groups may struggle.

This legislation has the ability to cause huge problems for many of my constituents.Whilst I recognise that we need to learn from what happened in the past, I do not believe that placing a levy on every new horse registered in this country is the answer. The most likely cause was a failing within quarantine processes. The logical response to this issue is to have a very serious look at our quarantine measures and to ensure that the proper systems are in place to lessen the chances of something like this occurring again.

The fact is that there is a much higher chance that equine influenza would be brought into this country as a result of horse-racing, given the international nature of the industry; however, this legislation fails to address this issue, applying the levy to every new horse registered in Australia, regardless of its use. I do not believe that the members of pony clubs and owners of recreational horses in my electorate should carry the financial burden for any outbreak that may occur. That is why I am opposing these bills. I join with my colleagues on this side of the House in demanding that the government consult further with the industry to come up with a more equitable outcome.

Mr ADAMS (Lyons) (8.02 pm)—I rise to speak on the Horse Disease Response Levy Bill 2008 and related bills. The disaster that occurred last year when equine influenza virtually stopped the movement of horses anywhere in Australia and trapped many outside their home states affected more people and animals than was documented. It caused hardship for thousands, including for those involved in horse shows, pony club events and gymkhanas, and it even interfered with our team’s preparation for the Beijing Olympics. When such a crisis nearly stopped the running of the nation’s icon event, the Melbourne Cup, suddenly it was big news! It certainly curtailed the Spring Carnival because many of the horses could not attend.

All horse and pony movements were stopped, and they had to be! But why? Because our quarantine system let us down. Although many of us might have thought it
could never happen, it did. All the screening of airport luggage in the world for fruit and vegetables fell down because our frontline biosecurity measures away from the public eye failed when it came to horses entering Australia. The equine influenza inquiry, conducted by Hon. Ian Callinan AC after the industry had been shut down, came up with some shocking findings of our slackness as a nation in understanding the severity of the incident. The report found clear inadequacies in Australia’s quarantine system. They are best described in Commissioner Callinan’s own words, where he said:

What I describe bespeaks an organisation that lacked clear lines of communication between those responsible for formulating procedures and work instructions, and those responsible for implementing them.

The report found that systemic failures, understaffing, not being adequately funded and resourced, inadequacies and breakdowns, an impenetrable maze of bureaucratic confusion, ignorance and misunderstandings, misconceptions about fundamental matters, absence of clear communication and assumptions, inertia, inefficiency, lack of diligence, incompetence and distraction by unproductive bureaucratic processes all played a part.

He concluded that the evidence did not enable him to make a precise finding as to how equine influenza escaped into the general horse population. However, it had enabled him to reach clear conclusions concerning inadequacies and breakdowns in the practices and procedures relating to the importation and quarantining of horses.

This failure must be sheeted home to the lax overview by the last federal minister. The National Party Leader, who spoke last night, must be hiding his and the National Party’s guilt by opposing these bills. I cannot think of any other reason for his opposition. By opposing these bills they are leaving the industry dangerously exposed again. He is being totally irresponsible, and I urge him to let these bills be passed and then assist in working out the best way to ensure that the levy is fairly collected when needed.

To prevent a similar incident occurring again, 38 recommendations were tabled, all of which I believe have been taken up by the government. The horse disease response levy legislation is necessary so that the horse industry can fund its share of obligations in response to a national disease outbreak emergency. Most industry bodies do not have the reserves or the required capital backing to arrange for commercial loans on which to draw in the event of an animal disease outbreak emergency. Without ready access to financial underwriting for affected industries, the commencement of an emergency response could be delayed and the overall response severely prejudiced. Under the Emergency Animal Disease Response Agreement, the Commonwealth of Australia has agreed to underwrite an industry share of nationally agreed emergency response programs and for these costs to be recovered, with the industry’s agreement, through a statutory levy.

The Leader of the National Party, Mr Truss, said:

The Emergency Animal Disease Response Agreement was negotiated with the goal of establishing a mechanism to facilitate rapid responses for the control and eradication of or the containment of certain animal diseases, with the costs for the response then shared between governments and industries according to a formula based on the economic and other benefits from the eradication.

So why on earth was he in here last night and why are his party members in here tonight opposing this measure? Until the legislation to raise this levy is in place, there is no mechanism to recover the horse industry’s share of the cost of any future horse disease outbreak. Yet he is now opposing this levy to be collected and not allowing the horse in-
dustry to be included in EADRA. This must be nit-picking of the worst kind. If another outbreak were to happen next month, no horse owner would be covered and all stock holders would be asked to cough up.

The horse industry is not a party to EADRA; however, this legislation will provide the framework to enable the industry to become a party. All other major livestock industries—cattle, sheep, wool, pigs, dairy, poultry, goat and honeybee—are signatories to EADRA. All have arrangements in place to meet their obligations under EADRA in the event of an animal disease emergency. In most cases this is a levy set at a zero rate by regulation. Other industries have accumulated reserves or have an existing positive levy in place. Where a levy mechanism is in place, collection is at a point of transaction, such as when cattle are sold at saleyards.

The move to include the horse industry in EADRA is a welcome one. It has been agreed by the majority of the industry, and they can decide whether they want to pay the levy on the outbreak of a disease or pay a small levy each year to build up a fund to draw upon if an incident occurs. It is up to the industry to work out what works best. Many owners of recreational horses and ponies might like to pay their levy upfront to prevent bigger costs being presented to them in the event of an outbreak. They can treat it like an insurance policy. It is important to be prepared. I think that a few groups in this country have the motto ‘be prepared’. This is a good opportunity to do that. We have to drive cultural change in our quarantine and biosecurity systems so that Australians can have confidence in them. We need to make sure that any future outbreak is not due to human error and pig-headedness.

Over my years in this place, I have been very aware of the difficulties facing our primary producers because of the past quarantine regime, backed up by arguments that we cannot offend the World Trade Organisation by citing quarantine issues as reasons for preventing some products from entering Australia. To state the obvious, as an island continent Australia was once naturally isolated from most exotic pests and diseases. Global trade and travel—while bringing great benefits—put Australia’s agricultural industries and unique natural environment at risk of devastation from a range of serious pests and diseases. Quarantine aims to protect Australia’s natural and economic assets while minimising disruption to the international movement of people and goods.

Tasmania, where I am from, is also an island, and it has the ability—and, I believe, the right—to isolate itself further from potentially disease-bearing products. We have fought the fight against importing goods on the basis that our industries will suffer destruction if hitherto absent diseases are introduced. First it was salmon, then it was apples and pears, then it was Newcastle disease in poultry from the mainland, then it was bird flu and, since then, there have been other questionable imports that have put our industries at risk. I think we have to be very careful about how we trade and how we relate to the World Trade Organisation and its guidelines. There should be some challenges to some of the WTO’s more inexplicable rulings.

During the House of Representatives Standing Committee on Primary Industries and Resources inquiry into the honey bee industry, which was completed recently, I was made aware of the huge risk this fledgling industry is facing from the varroa mite. The varroa mite could wipe out that industry or bring it down to half its size. It could wipe out all the wild bees in Australia—no bees, no food. Fortunately, I think we have identified the risk and I am hoping the government will move quickly to address it—as well as

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address the many other sensible recommendations that were made in relation to quarantine and biosecurity. It is reports such as these committee reports that allow us to highlight problems faced by vulnerable primary industries and to deal with them before a catastrophe occurs of the nature of equine influenza.

These bills will allow the horse industry to start to help itself. They will also allow us to have an early warning system and they will put in place measures to deal with a possible disease outbreak quickly and efficiently. I think the time factor of a horse falling ill and anyone being made aware of the seriousness of it is quite alarming and, in the end, very expensive for all horse owners as well as for those in the racing industry.

We need to do more overall to ensure that our shores are protected from invading organisms and not just open doors simply because we want to sell some of our product elsewhere. The horse flu serves as a reminder now that every entry, every overseas product and every action that we take has a risk, and that therefore we should be properly prepared and be alert—as the previous PM was quite fond of saying—and we should keep the alarm ready to sound if need be.

I am very disappointed, Mr Deputy Speaker Scott, that your party has decided to oppose the legislation. I am sure that you would have fought a good fight in the party room. I believe that the National Party, by leading a charge against these bills, has failed the horse industries of Australia. I support the bills, and I hope we never have to face a similar disaster again.

Mr HAWKE (Mitchell) (8.16 pm)—I rise to join with my colleagues in opposing the Horse Disease Response Levy Bill 2008 and related bills being debated cognately before the House tonight. I do not claim to be a great horse lover. In fact, I can confirm to the House that, although the saying is that when you get thrown off a horse you should just get back on, when I was young I got on a nag, got thrown off and did not get back on. I have never liked horses since, so I can confirm that that is quite an accurate and wise saying.

I rise on behalf of my constituency, including the suburbs of Box Hill, Nelson, Annangrove and Kenthurst. These are the semirural outskirts of Sydney, where there are high numbers of recreational horse owners and people who enjoy a rural lifestyle, on acreage of five to 10—sometimes 15—acres. These people are potentially impacted by these bills, and that is why I am here to speak on their behalf today.

It is the case that not one horse owner in Australia is responsible for the outbreak of EI. We do not know exactly where EI has come from, but we know that the horse owners themselves are not responsible. The reason that I rise to oppose the bills is that the measures proposed by the government seek to place the burden of cost and responsibility on the individual owners. I do not find that very satisfactory. Indeed, I would have expected that members opposite, being the party of the worker and the ordinary person, as they claim, would consider this quite a common-sense proposition: why burden every ordinary horse owner in Australia with a bill for something that they were not responsible for and had no control over? Intuitively, there is something missing from their arguments.

However, looking at the proposed legislation, there are some other concerns. Eighty per cent of the cost here is going to go to the pleasure and recreational horse industry and 20 per cent to the racing industry. From the representations I have received, I know it is the case that businesses people with racehorses that were affected by EI were able to receive...
a rebate. Many registered horse associations—such as those for quarter horses, Arabs, Australian stock horses and Appaloosas—were not businesses and therefore were severely disadvantaged and without any form of compensation at all. Most people had to pay huge sums of money for expensive veterinary bills—I can confirm that from meetings with recreational owners all across my electorate—and agistment because of someone else’s mistakes.

These people have suffered enough. When you take into account all the costs that are associated with owning a horse—horses have been described to me as a form of black hole, and indeed they do sink money, just like a backyard pool—a horse can be a very expensive exercise for a family. Many people do this, and I think it is something that benefits a lot of families and children. I am not sure that imposing a hardship and a new tax on these families is very satisfactory at all.

I would like to note something for the House’s benefit that I think has not been considered, that I am aware of, in the contributions so far. I would make the simple point that the racehorse industry contributes about $150 million per year in revenue to the New South Wales state government. If you take into account all the revenue that has been generated for all the other state and territory governments, perhaps we should not just be looking at owners and shifting the burden of costs onto the recreational owners and the recreational industries; we should be looking at the fact that state governments are making a lot of money out of the racing industry. They are receiving a large amount of money; perhaps they could make a contribution here. It might be something that the federal government could take up with them, with the high amounts of revenue they are receiving from the industry, particularly in New South Wales. Again, it does not seem fair or satisfactory that we place the overall burden on people who were not responsible for the outbreak and are not responsible for the problems. They already pay a lot to have horses and yet we are willing to slug them again in this way.

We do need to get our house in order in terms of quarantine. With respect to the Callinan report, there have been some very presumptive comments from members opposite about who is to blame for this. But there is no conclusive evidence one way or the other about where this came from, even though it is likely that it came from a quarantine failure.

There are a number of other objections that I would make to these bills. I have already stated that part of the unfairness of the bills is exposed by the figures that show that only a small proportion of the total number of horses are subject to levy collection. Eighty per cent of any liability would be recovered through the levy that would fall upon the pleasure and performance horse owners—and they do not derive any income from their horses. They are not businesses, they are not commercial activities, and they therefore would not be eligible for compensation in the event of a future disease outbreak. I note the contribution of the member for Lyons saying that this is a form of insurance for everyone in the country. But the reality is that the vast majority of people would not be eligible for any compensation, even though they had paid this particular levy. So there are real questions here of natural justice and why we should slug people who will not receive any particular benefit. There have been some claims about all the peak horse bodies in the country supporting this, but there are some concerns. We have seen that Thoroughbred Breeders Australia has some concerns about the way this levy is going to fall and are concerned that the burden does not fall on too few horse sectors.
I also have a concern about these kinds of measures coming from government. At this point in time, the levy is to be collected only as a one-off, but we know that governments have a tendency to continue to keep fiscal measures in place or extend them once they are in place. We have seen that before. Every time we pay income tax we are patently aware of that. I do accept the very real concerns of people who own horses and people in the horse industry in my electorate, in the rural suburbs, who say that they are worried that this will become an ongoing levy and that it will be seen as a form of revenue that the government is not prepared to give up over time.

Some other very valid points have been made to me about what may or may not happen. The fact is that there are estimated to be 1.2 million horses in Australia, and registrations are estimated at about 50,000 to 60,000. Only 20 per cent of the total number of horses that are registered nationally come from the largest commercial group, the Australian horse industry. Again I point out that the industry itself does generate a lot of revenue for state governments, and therefore there is a real issue to do with shifting the burden of cost onto this broad base but not seeking to reimburse the people in that broad base.

Another factor that has been raised with me is that the government has not really committed to what I would consider a consultative or collaborative approach in relation to this legislation. There are a number of very angry people out there who are concerned that this will be a factor in them deciding to no longer own horses or commit to owning horses in the future. As far as we are aware, the minister only wrote to horse owners on 11 June 2008. He basically said to horse owners that there would be no further assistance in the event of disease outbreaks if the industry failed to sign up to the Emergency Animal Disease Response Agreement.

I tend to be uninspired by that kind of approach from government. They are saying to the people who are feeling the pain, paying the bills and suffering from what may well have been government failure: ‘The government will no longer look after you in the future and therefore we expect you to fend for yourselves but also pay a levy, and you may not receive any assistance back from that levy.’ It is very uninspiring of the minister to behave in that way. I think he really needs to think outside the square and think about the state government revenues that are raised by the racing industry. Essentially, if you are a member of the Labor Party, putting the onus on the ordinary person, the person who is a recreational owner and does not derive any form of income from horse ownership, does not seem to be a very satisfactory arrangement.

Pleasure horses and hobby horses are not the industry. Those in the sector that supports the industry, such as farriers, feed suppliers, vets, event operators, trainers, breeders, tack equipment suppliers and all those associated industries, are the ones who would end up being liable for the greatest financial burden. Some of those industries are in my electorate. Some of them certainly have suffered and some of them have been eligible for assistance. But the experience of the vast majority of horse owners in my electorate is that they are not really going to be eligible for any sort of assistance or any form of rebate on any disease that may well break out in the future.

I was approached at the time of the outbreak of EI by recreational owners in my electorate who have serious concerns. They pay large sums of money to own horses and they do enjoy the lifestyle. They love their horses greatly. They were slug...
break of EI with veterinary bills and all of the costs associated with the disease. Now the government is proposing to slug them again for something they were not responsible for. It does not seem to be a satisfactory arrangement. I am happy to oppose these bills and support the horse owners in my electorate. I support the great facilities like Tall Timbers, run by Riding for the Disabled, which operates out of my electorate. I was happy to open a new building for them recently. That facility operates many horses and provides a wonderful service for the disabled in my electorate.

In summary, the government seems to be putting pressure on us and saying, ‘Why aren’t you acting? Why aren’t you doing something?’ I think we do support sensible action in relation to this matter. We do support the idea that there must be some provision made for the future. I do not think it is reasonable to rule out state governments, who receive windfall revenues from the racing industry, in that equation. Why are we not considering asking them to make a contribution to subsidise the cost of future outbreaks of disease? If we are forming an insurance fund, like the member for Lyons said, we may well draw a levy from people who would potentially be the most affected commercially. We may seek the involvement of state governments, who would potentially be looking at black holes in their revenue. The New South Wales state government derive $150 million from the racing industry. I am happy to rise in support of the rural areas in my electorate—Box Hill, Nelson, Annangrove, Kenthurst—and all of the recreational owners. I stand up for them against what I see as a pretty unfair levy on them for something they are not responsible for.

Ms SAFFIN (Page) (8.28 pm)—I rise to speak in support of the Horse Disease Response Levy Bill 2008 and associated bills. I have heard a lot of terms bandied around by those on the other side and a lot of humbug in this debate. I have heard that there needs to be sensible action. I have heard that people were slugged. The reality is that a lot of people in the horse industry were slugged because they were not part of the scheme, because they were not in the framework. I had to also listen to members on the other side talk about how they were ready to do something, but they are not ready now. They were not ready 12 years ago; they were not ready 10 years ago. They are not ready today: they will not be ready tomorrow. They want to send the legislation over to the Senate for another review. It does not need to be reviewed; it needs to be passed so that the horse industry has certainty in this area. We all know what happened when equine influenza broke out.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 8.30 pm, I propose the question:

That the House do now adjourn.

Cook Electorate: Gweagal Boomerang

Mr MORRISON (Cook) (8.30 pm)—How we honour our nation’s heritage says a lot about who we are. It is about acknowledging where we have all come from so we can all move forward together as Australians in the future. As Australians none of us should ever feel guilted into shrinking from celebrating the achievements of our past, whatever our background. This is as true for Australians with an Anglo-Celtic heritage as it is for Indigenous Australians and for those from other cultures and backgrounds. However, I believe this is exactly what has been allowed to occur, particularly in relation to our British and colonial history, in the belief that such actions were insensitive to Indigenous Australians. If you need any convincing of this, all you need to do is take a trip to
Kurnell in my electorate of Cook where James Cook first landed on 29 April 1770.

James Cook was an innately peaceful man of the Enlightenment age and, I believe, the world’s greatest ever navigator. By the standard of his time he showed a profound compassion and respect for the lands and peoples he visited, and to people who were under his care. As Australians we should feel immensely proud of Cook’s pivotal and founding role in our national history. However, the landing site today simply does not live up to its status as the modern birthplace of our nation. As recently as last year the site was still referred to on the New South Wales national parks website as a place of ‘invasion’. This language of shame, blame and guilt must become a thing of the past if we are to truly pursue an ambition of reconciliation in this country.

We need to find new reference points that merge a respect for our shared heritage as Indigenous and non-Indigenous Australians. I can think of no better place that celebrates our shared national heritage and story than our first meeting place at Kurnell in Botany Bay. The site was and remains a place of new beginnings. On reading the accounts of the journals of those on the *Endeavour*, at that time we looked strangely at each other, seeking to understand, but were ultimately overwhelmed by our differences. We parted not much the wiser but having commenced an engagement that would profoundly change forever the future for both Indigenous and soon to be non-Indigenous Australians.

The time has come, in our new post ‘Sorry’ world, to move to another new beginning. The site of Cook’s landing already sits on our national heritage list, thanks to the efforts of my predecessor, the Hon. Bruce Baird. The task now remains to ensure this place befits its status and occupies a new and profound space in our national reconciliation journey. The site requires urgent attention from all levels of government and the commitment of all sides of politics, especially as we approach the 250th anniversary in 2020.

It is in this context that I have brought to the attention of the government a new opportunity. On 25 September Christie’s will auction in London a boomerang believed to be taken from the Gweagal people of Australia in Kurnell in 1770 by then Lieutenant James Cook. I believe this boomerang must come back. I can think of no more suitable icon of reconciliation than the return of Cook’s boomerang to the Gweagal people on behalf of all Australians at this historic site.

Of course, its authenticity must be tested. We should understand that in matters such as these there will always be claims and counterclaims about authenticity—it was indeed a very long time ago—but the sheer existence of such claims should not be used as an excuse by the Australian government not to pursue this item for all Australians. The boomerang was handed down from Cook’s widow, Elizabeth, and it could only have come from Australia. We do know that spears and shields were taken from Kurnell, and no-one has suggested it is improbable that the local Gweagal people had boomerangs as well at this time. Cook only made the one visit to Australia and only stopped at Kurnell and the Endeavour River, so it is worth having a good hard look at this artefact—although, as with all artefacts of this nature, conclusive proof is a rarity.

We could just get out the national chequebook and show up and bid. But wouldn’t it be better if Great Britain were to be involved and play a vital role? The British occupy a significant place in our national history. For a start we both have the same Queen, and, at least from my perspective, long may that continue. However, this special status carries with it some responsibilities. Stepping up to
get our boomerang back and playing a positive role in our process of reconciliation, I believe, is one of them. That is why, together with local Gweagal elder Merv Ryan, I have called on our Prime Minister and Minister Garrett to ask the British Prime Minister to purchase the item and present it to the Gweagal people to be held in trust for all Australians. To quote Minister Garrett from a former life:
The time has come. A fact’s a fact. It belongs to them. Let’s give it back.
If this fails, we should bid on our boomerang to secure its return. Either way, our boomerang must come back.

**Interest Rates**

Mr BRADBURY (Lindsay) (8.35 pm)—I rise to take note of the Reserve Bank of Australia’s decision today in relation to the official cash rate. The decision of the Reserve Bank means that the official cash rate has been cut by 25 basis points—or a quarter of a per cent. I wish to acknowledge that the impact of this decision will be very much welcomed in electorates such as mine, where many families have been doing it very tough as a result of the cost pressures on the family budget. I note, however, that the statement by the Reserve Bank says:

Inflation in Australia has been high over the past year in an environment of limited spare capacity...
The issue of limited spare capacity—or the capacity constraints that our economy has been facing—is not a new proposition. It is something that has plagued this economy now for a number of years. If we go back and trawl through the various documents released by the Reserve Bank over the last decade, we will find over 20 warnings issued in relation to these capacity constraints—warnings that relate to chronic skills shortages, warnings that relate to a failure to invest in productivity and the key infrastructure that this nation requires. That inaction—that failure to invest in infrastructure which we saw over the last decade or so—is something that the nation has been paying a price for.

Upon coming into government, this government inherited an economy with inflation at a 16-year high. In that challenging domestic economic context we have also had to confront the fact that there has been an international oil shock. Along with that oil shock we have seen an international credit crisis. These two factors are but a symptom of some of the broader global challenges that we face, not just here in this country but globally. Of course, in electorates such as mine, we are feeling the effects of those crises right down to the kitchen table.

This government has a very clear and committed economic policy addressed towards resolving and addressing this issue. In the budget that was handed down earlier this year, we set out a program that will deliver a budget surplus of $22 billion. Unfortunately, those on the other side have seen fit to try and block some of the key elements of that budget. In doing so, they are only continuing to do what they did when last in government, and that is to continue to put more pressure on inflation and more pressure on interest rates. But we will continue to fight to keep that pressure off inflation so that hopefully in the future the Reserve Bank can continue to put downward pressure on interest rates. Over the last decade we have seen over 10 increases in interest rates under the previous government. For the average family with the average mortgage, those 10 increases in interest rates have meant an increase in the costs to the family of somewhere in the vicinity of $400 a month. That has had a serious impact on many families and, as a result, they have been doing it tough and will welcome this cut in the official cash rate, which...
I note that the banks have indicated they will pass on.

Coming back to the issue of capacity constraints, what we have seen, in the failure of those opposite to do the hard yards in government, is a neglect when it comes to investment in key areas of infrastructure. The budget that we handed down earlier this year set out some key principles and identified some key funds that will go a long way towards addressing these infrastructure deficiencies—these capacity constraints that the Reserve Bank keeps talking about: $26 billion set out in AusLink II to build the roads and rail infrastructure we need, $20 billion in the Building Australia Fund, $15 billion in our Education Investment Fund, $11 billion in the Health and Hospitals Fund and $5 billion in the National Broadband Network, a network that under the previous government had lagged so far behind the rest of the world. These are the essential elements of this government’s plan to start nation building again, to do what people have been crying out for for a long time and to invest in the productive capacity of this country. (Time expired)

Petition: ABC Radio Service in Nannup

Ms MARINO (Forrest) (8.40 pm)—I wish to present to the House a petition from the residents of Nannup in my electorate of Forrest, the principal petitioner being Mrs Valerie Russell. This petition has been lodged with the Petitions Committee and has been approved in accordance with the requirements of standing orders.

Through this petition, the residents of Nannup in the south-west of Western Australia wish to draw to the attention of the House that, rather than having to listen to radio information emanating from the north-west of the state, they are asking to receive the local Bunbury content ABC south-west broadcast in their town. I therefore call on the Labor government to provide for this expansion of broadcasting transmission in its future budget forecasting so that towns with commonality, such as Bunbury and Nannup, can enjoy local content radio broadcasts.

Currently, Nannup residents receive ABC broadcast from satellite, which carries the Western Australian regional radio feed. Nannup residents can receive the ABC morning program from Perth but, once this has concluded and the broadcaster switches to regional areas, Nannup cannot receive the Bunbury regional transmission but instead receives Karratha radio. The broadcast comes from Karratha, which is located 1,800 kilometres from Nannup in the north of the state. It would be reasonable to state that the communities of Karratha and Nannup have nothing in common. Cyclone warnings and fishing conditions in the far north of the state are of no relevance to residents of the south-west. More importantly, Nannup residents are denied vital safety information, such as bushfire warnings and news of flooded roadways in their own town and surroundings. Nannup is located just over 100 kilometres to the south-east of Bunbury, and ABC local radio broadcasts local community content which is transmitted on 684AM from Busselton, which is only about 61 kilometres away. I am told that occasionally Nannup residents can receive ABC 684AM Bunbury on their car radios, but the transmission cannot be received in Nannup homes.

Clearly this situation needs to be rectified, and clearly the ABC needs to expand its transmission network so that local communities such as Nannup in the south-west can receive local content radio. The federal government needs to say that it has the power to direct the ABC in operational matters and provide increased funding to facilitate this expansion in its budget forecasts. The ABC has said that if it received increased funding it would be able to provide the expanded
service. I must add that offering alternative solutions to Nannup residents is also not suitable. The option for Nannup residents to get ABC south-west radio transmission by streaming through their internet connections is not viable and not fair as it is costly to keep downloading the radio stream. Also, many Nannup residents do not have Foxtel digital and believe that they are entitled to receive ABC free-to-air radio as enjoyed by metropolitan residents.

An upgrade to the Busselton transmission tower could increase access to the local ABC Bunbury radio and allow Nannup and surrounding towns of Balingup, Carlotta and even areas of Bridgetown to receive local content broadcasts. Indeed, upgrading transmission coverage in the south-west is also urgently required to include the town of Collie, which is also in my electorate of Forrest, so that Collie residents can also receive local Bunbury content that ABC south-west radio broadcast. The town of Collie is yet another example of a town on the cusp of receiving the ABC Bunbury broadcast from Busselton but receiving local community content from the town of Albany, 302 kilometres to the south. This is broadcast through the Wagin transmission station located 121 kilometres from Collie, but Collie is closer to Bunbury, only 57 kilometres away, and has much closer ties to the Bunbury community than to Albany.

I note that in January 2007 the previous government announced continued support to fund more than $19 million in 2008-09 to boost the national broadcaster’s capacity to provide locally relevant radio coverage. The previous government was committed to advancing regional interests and ensuring the ABC could continue to provide local content for all Australians to enjoy, regardless of where they live. Nannup is a beautiful little town nestled in the heart of the Blackwood Valley, but is surrounded mostly by state forest, so bush fire warnings are critical. Nannup is a favourite for scenery, particularly forest and nature based pastimes, and it has benefited from a stable economy and minimal development. Times are changing, and Nannup has had to diversify its economic and tourism base to be sustainable.

I seek leave to present this petition.

Leave granted.

The petition read as follows—

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

This petition of the citizens of Nannup in Western Australia, draws to the attention of the House that rather than having to listen to radio information emanating from the North West of the state, we, the undersigned residents of Nannup, wish to request that the A.B.C.—south West—Bunbury make every effort to facilitate reception of local content broadcasting to our town.

from 182 citizens.

Petition received.

Budget

Ms COLLINS (Franklin) (8.45 pm)—I rise tonight to talk about the behaviour that those opposite are engaging in in the Senate. They are being obstructive and blocking this government’s measures in our first budget. We could maybe understand that if it was for strategic policy reasons, but we know it is not. We know it is about cheap political point scoring. Those opposite are siding with big oil, with alcohol distillers and with luxury car makers, and they are not siding with working families, the carers, the pensioners or those Australians doing it tough. Their blocking of our measures to date will leave approximately a $6.2 billion hole in the budget, and this is not responsible. What will happen if they are successful in their $6.2 billion raid? It will mean that $6.2 billion will not be available to invest in broadband, that $6.2 billion will not be available to in-
vest in public transport or that $6.2 billion will not be available for health or education infrastructure.

The Liberals over there are divided. They do not have the long-term leadership that can keep Australia’s economy strong. They certainly do not have any long-term economic or nation-building plans. The only plan we do know that they have is to bring back Work Choices, which would again wreak havoc with the household budgets of working families.

There was a lack of strategic investment by those opposite. They presided over 12 years of inaction. But let us look closely at the state they left the economy in. They had underlying inflation running at a 16-year high of 3.6 per cent in the final quarter of 2007. They ignored 20 warnings by the RBA in the last three years. Australians had to endure 10 interest rate rises in a row under those opposite, giving this country the second highest interest rate of developed countries. A string of interest rate rises has had a devastating impact on the lives of Australians, but they did not care and their response was to keep spending. In fact, real spending under the last government grew at an average of four per cent a year over the last four years, reaching 5.2 per cent in their final budget year. They had $40 billion in new spending and not a single dollar in savings in their last budget. If we had matched the real spending growth of the Howard government, it would have cost taxpayers around $23 billion extra. The Liberals’ spending reached record highs, and we all know where that money went. It went on marginal seats, often without any due process. They were spending like drunken sailors. Then, to top things off, productivity growth over the last five years fell to its lowest in more than 16 years. This was the legacy of the Liberal Party—the legacy of those opposite—particularly the member for Higgins.

The Rudd Labor government have had to deal with global challenges. We have experienced an increase in global oil prices in recent times, and we have been economically responsible. This government, in our 2008 first budget, cut real spending from 5.2 per cent to 1.1 per cent and we delivered the $22 billion-strong surplus. For our part, we are focused on providing responsible economic management. We know there is much more to be done and there will be challenging times ahead as we continue to battle the economic turbulence. Today we saw some relief when the RBA cut interest rates by 0.25 per cent. This is the first time families have had a rate cut in seven years, and I certainly welcome it, as I am sure those families with mortgages in my electorate do. For an average mortgage holder, today’s cut will put more than $500 a year back into the family’s pockets.

We on this side of the House continue to act responsibly in this nation’s long-term interests. The Rudd Labor government is acting now for our long-term future. We are preparing Australia for a strong future. We are not wasting this government’s surplus; we are investing in the future and for the future needs of this great country. Labor is the traditional party of nation builders, but nation building requires economic management and a plan to deliver world-class infrastructure and to boost productivity. We do have the plans to do this. That is why we have put $41 billion into nation-building funds: $20 billion into the Building Australia Fund, $11 billion into education infrastructure and $10 billion into health infrastructure. We are serious about addressing bottle-necks, about improving our technology and about a $4.7 billion national broadband network so that we can get our exports to market and improve our technology so that we can compete. We are also addressing the years of neglect in schools with the educa-
tion revolution. We are investing in trade training centres, in computers in schools and in universities to help address the skills shortage that has choked this nation for years.

This budget surplus confirms and builds upon Labor’s economic credentials. We know that people out there are doing it tough, which is why we included our $55 billion working families package and why we have put money back into the pockets of families. On top of this, we have provided $7.5 billion in additional payments and bonuses to pensioners—(Time expired)

Able Seaman Thomas William Aldridge

Mr WOOD (La Trobe) (8.50 pm)—Sadly, I am going to take the chamber on a journey back in time. On 12 April 1957, Able Seaman Thomas William Aldridge was a young member of the Royal Australian Navy. He was a youthful 29-year-old man, eager to serve his nation well. He was also the sole provider for his wife, Millie, and their three young children: Brian and Pamela, and Neil, who was still unborn. That day, Thomas was working for the HMS Thorough, which had lost a practice torpedo in Broken Bay, New South Wales. Thomas was part of the diving team required to search for that torpedo. It was a naval training exercise which turned into a horrible tragedy. While Thomas was diving, a detonator was thrown into the water by Thomas’ supervising officer. It was supposed to recall him to his ship, but it did not.

Thomas drowned that day; he did not make it back. Questions surrounding his death still linger. Was he too close to the explosion? Did it hit him? Perhaps we will never know what really happened that day. But what is not disputed is that he drowned during a naval training exercise for the Australian people. Thomas Aldridge’s widow, Mrs Millie Aldridge, was left heavily pregnant and without her husband, upon whom she had been entirely dependent. She never remarried and for the next 51 years—to this very day—continues to grieve the loss of her husband.

Millie received £3 a month compensation for each of her children until they each turned 16 years of age. This figure amounts to $113 a month in today’s dollar value, which is absolutely nothing. Millie was not granted a war widow’s pension. She was granted neither a gold card nor any ongoing medical support. She was never granted navy or military support nor any assistance from Legacy or any other organisation. Had Thomas’s death occurred today, Millie and her children would have been looked after by the Commonwealth in the most proper and decent way; instead, they were virtually abandoned. Today Millie’s health has deteriorated. Although she receives an age pension, she receives no other help from the Commonwealth. At the very least, a strong case exists for the provision of a gold card for Millie. Any decent person would agree that a gold card should be the minimal form of compensation payable by a government to help a woman whose husband paid the ultimate price in serving this nation.

I learned of Thomas’s death and the plight of Millie and her children through two of my constituents—Thomas’s brother and sister-in-law, Norm and Joan Aldridge. Norm and Joan have done the right thing and fought tooth and nail to get additional compensation for Millie. Also, at this point, I want to give a special thanks to Michaela Vaughan, the Deputy Director, Personnel Management, Navy Assistant Command. She too has seen the injustice of this case and has been a fantastic advocate for Millie and her family. Very sadly, these efforts have thus far failed.

Last October, I organised for Norm and Joan to meet with the former Minister for Veterans’ Affairs, the Hon. Bruce Billson,
who actually recommended and supported Norm and Joan in applying for an act of grace payment for Millie. This was to compensate her for medical claims and general compensation. Unfortunately, the election was called before this application could be submitted, meaning that Norm and Joan have had to begin the process all over again with the new government. I now plead with Prime Minister Kevin Rudd, and of course the Minister for Veterans’ Affairs, Alan Griffin, to personally intervene and right a 50-year-old wrong. Thomas lost his life for his nation on that day in 1957. It is now our obligation to Thomas to care for Millie. No matter how many acts of legislation we try to hide behind, this is the right, decent and proper thing to do.

Economy

Mr PERRETT (Moreton) (8.55 pm)—Mr Speaker, like so many of my constituents in Moreton and your constituents in Scullin, I welcome the Reserve Bank decision today to cut interest rates by 25 basis points. This rate cut will provide some small relief to households struggling to meet mortgage repayments. It will also deliver hope to first home buyers who have been let down by high interest rates for way too long. After 10 interest rate rises in a row under the coalition government, many families in my electorate have been feeling the strain. On an average loan, those 10 interest rate rises have meant $400 a month extra in loan repayments. That is tough for households already struggling to cope with higher fuel costs and higher grocery bills. Many families in Moreton have contacted me directly to express their concern about rising interest rates and housing affordability. That is why I was so surprised last week to hear the Leader of the Opposition in this place describe the Australian economy as at November last year as ‘the envy of the world’. This shows, yet again, that the opposition will do and say anything to protect the slim shred of economic credibility that they have left.

But it is what the opposition leader did not say that is really important. He did not say that the current member for Higgins had handed Treasurer Swan an economy experiencing 16-year high inflation levels. The Leader of the Opposition did not say that interest rates had risen 10 times in a row and were the second highest in the developed world. The current Leader of the Opposition did not say that productivity growth was running at its lowest level in 15 years. He did not say that Commonwealth spending in real terms had grown around four per cent a year since 2004-05 and had even spiked over 4.5 per cent. He did not say that Howard and Costello had overseen 5½ years of monthly trade deficits—that is, 66 months of trade deficits. He did not put any of these facts about the true state of the Australian economy because the current Leader of the Opposition is ashamed of this legacy, as he should be.

On occasions, the opposition seem to suggest that they should turn to the member for Higgins as if he is the economic messiah. But he is not the economic messiah; he is just a naughty boy. The Rudd government is delivering on its commitment to put downward pressure on inflation. Part of this commitment was a strong budget surplus of $22 billion to provide a buffer against global economic instability. We need a strong surplus to help keep a lid on inflation today, and we need a strong surplus to invest in infrastructure for tomorrow. The surplus is an investment in better hospitals, better education centres and better broadband. It is an investment in better roads, like the upgrade to the Kessels Road and Mains Road intersection in Sunnybank or Robertson in my electorate.
But now the opposition are planning a $6.2 billion raid on that surplus, as detailed by the member for Franklin. We saw this in action in the Senate today, and it was shameful. This is a move that will put further pressure on interest rates just as we are starting to turn the tide and just as we are starting to get some good economic news. It shows just how out of touch and how desperate the opposition are. We know that we face more tough times ahead as we continue to battle economic turbulence abroad and high inflation and interest rates at home. But still the opposition refuse to listen. The Reserve Bank warned the previous coalition government 20 times about capacity constraints in the economy, but they did not listen. They did not listen when in government to that respected and august body, the Reserve Bank, and still they refuse to listen to it in opposition.

The other day in this House, I heard the member for Dickson talk about the great economic reforms delivered by his government—by the Howard-Costello government. What did they amount to? They basically amounted to some clever accounting skills—no significant economic reforms at all. That is the legacy—no significant economic reforms, just some clever accounting. The Labor Party has a proud history of building nations and making visionary commitments. Talk about committing the nation—we build nations. Those opposite, the Liberal Party, are prepared to bill the nation that Labor built. That is all. The opposition have no plan for the future and no plan to take the pressure off the working families and the seniors in Moreton, and they should be forever condemned for that.

The SPEAKER—Order! It being 9.00 pm, the debate is interrupted.

House adjourned at 9.00 pm
QUESTIONS IN WRITING

Employment Services
(Question No. 203)

Dr Southcott asked the Minister for Employment and Workplace Relations, in writing, on 26 June 2008:

In respect of the Government’s proposed new Employment Services model: (a) what analysis was done to indicate that increasing the proportion of funding to more disadvantaged job seekers would result in higher employment outcomes; (b) what is the predicted associated increase in employment participation by highly disadvantaged job seekers (stream 4) as a result of this increased targeted funding; (c) what are the predicted employment outcomes for each of the four streams; and (d) what is the predicted duration of unemployment for each of the four streams.

As the question falls under the portfolio responsibilities of the Minister for Employment Participation, the question was referred to Minister Brendan O’Connor for reply.

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:

(a) There have been several reports produced including “Customised Assistance, Job Search Training, Work for the Dole and Mutual Obligation - A Net Impact Study” and the “Job Network Evaluation Stages 2 and 3” which show that assisting the most disadvantaged clients achieves the best net impacts.

(b) The web address: www.workplace.gov.au/ESpurchasing, provides a link to a range of information in relation to the Purchasing Arrangements of the New Employment Services 2009-12. This includes the estimates of the employment outcomes for Stream 4 job seekers. As Stream 4 represents a combination of cohorts from the existing employment services it would not be possible to provide comparisons of employment participation.

(c) The web address: www.workplace.gov.au/ESpurchasing, provides a link to a range of information in relation to the Purchasing Arrangements of the New Employment Services 2009-12. This includes the estimates that relate to the honourable member’s question.

(d) The Department has not forecast duration of unemployment for each of the streams.

Housing Affordability
(Question No. 205)

Ms Ley asked the Minister for Housing, in writing, on 26 June 2008:

(1) Can she release the results of research and/or modelling done by her department that indicate the likely take-up rate of incentives under the National Rental Affordability Scheme.

(2) Can she outline when proposals submitted under the Housing Affordability Fund will receive funding.

(3) Can she provide an update of the audit of Commonwealth Government land, including the location and description of parcels of land that may be released for housing supply.

Ms Plibersek—The answer to the honourable member’s questions is as follows:

(1) The uptake of the National Rental Incentive under the National Rental Affordability Scheme will be determined by the budget allocations for the program. These allow for the allocation of the following number of dwellings across the forward estimates:

2008/09 3,500
2009/10 7,500

QUESTIONS IN WRITING
Allocation will occur through competitive selection rounds with capacity to forward allocate to future years. Three funding rounds will be held in 2008/09 to allocate the majority of the National Rental Incentives for the first two years, with the third round allocating for the third and fourth years.

(2) The Housing Affordability Fund Consultation Paper released on 11 June 2008 includes the details of the timeframes for the Housing Affordability Fund.

(3) The Government is committed to releasing surplus Commonwealth-owned land for housing. A revamped land release policy will require all Government agencies to show why surplus land should not be released for the benefit of local communities. The Commonwealth is currently finalising a revamped Commonwealth Property Disposal Policy (CPDP).

The Commonwealth has recently released the following land for sale:
- West Wattle Grove, Moorebank, NSW
- Cannon Hill, Brisbane, QLD
- Schofields, NSW

The Minister for Finance is responsible for the audit of Commonwealth land.