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SITTING DAYS—2008

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

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FORTY-SECOND PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

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

Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georgeanias 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—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Joseph Benedict Hockey MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

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

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

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

Printed by authority of the House of Representatives
## Members of the House of Representatives

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<td>Tuckey, Hon. Charles Wilson</td>
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<td>Wentworth, NSW</td>
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<td>Turnour, James Pearce</td>
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<td>Vale, Hon. Danna Sue</td>
<td>Hughes, NSW</td>
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<tr>
<td>Vamvakinou, Maria</td>
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## Members of the House of Representatives

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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</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

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

[The above ministers constitute the cabinet]
Minister for Home Affairs  
Hon. Bob Debus MP

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

Minister for Veterans’ Affairs  
Hon. Alan Griffin MP

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

Minister for Employment Participation  
Hon. Brendan O’Connor MP

Minister for Defence Science and Personnel  
Hon. Warren Snowdon MP

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

Minister for Superannuation and Corporate Law  
Senator Hon. Nick Sherry

Minister for Ageing  
Hon. Justine Elliot MP

Minister for Youth and Minister for Sport  
Hon. Kate Ellis MP

Parliamentary Secretary for Early Childhood Education and Childcare  
Hon. Maxine McKew MP

Parliamentary Secretary for Defence Procurement  
Hon. Greg Combet AM, MP

Parliamentary Secretary for Defence Support  
Hon. Dr Mike Kelly AM, MP

Parliamentary Secretary for Regional Development and Northern Australia  
Hon. Gary Gray AO, MP

Parliamentary Secretary for Disabilities and Children’s Services  
Hon. Bill Shorten MP

Parliamentary Secretary for International Development Assistance  
Hon. Bob McMullan MP

Parliamentary Secretary for Pacific Island Affairs  
Hon. Duncan Kerr MP

Parliamentary Secretary to the Prime Minister  
Hon. Anthony Byrne MP

Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion  
Senator Hon. Ursula Stephens

Parliamentary Secretary to the Minister for Trade  
Hon. John Murphy MP

Parliamentary Secretary to the Minister for Health and Ageing  
Senator Hon. Jan McLucas

Parliamentary Secretary for Multicultural Affairs and Settlement Services  
Hon. Laurie Ferguson MP
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Treasurer
Leader of the Nationals and Shadow Minister for Trade, Transport, Regional Development and Local Government
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
Shadow Minister for Foreign Affairs and Manager of Opposition Business in the Senate
Shadow Minister for Finance, Competition Policy and Deregulation and Manager of Opposition Business in the House
Shadow Minister for Energy and Resources
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
Shadow Special Minister of State and Shadow Cabinet Secretary
Shadow Minister for Human Services and Deputy Leader of The Nationals
Shadow Minister for Climate Change, Environment and Water
Shadow Minister for Health and Ageing
Shadow Minister for Defence
Shadow Minister for Education, Apprenticeships and Training
Shadow Attorney-General
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Employment and Workplace Relations
Shadow Minister for Immigration and Citizenship
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts

Hon. Malcolm Turnbull MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Nick Minchin
Senator Hon. Eric Abetz
Hon. Andrew Robb MP
Senator Hon. Helen Coonan
Hon. Joe Hockey MP
Hon. Ian Macfarlane MP
Hon. Tony Abbott MP
Senator Hon. Michael Ronaldson
Senator Hon. Nigel Scullion
Hon. Greg Hunt MP
Hon. Peter Dutton MP
Senator Hon. David Johnston
Hon. Christopher Pyne MP
Senator Hon. George Brandis SC
Hon. John Cobb MP
Mr Michael Keenan MP
Hon. Dr Sharman Stone MP
Mr Steven Ciobo MP

[The above constitute the shadow cabinet]
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<tbody>
<tr>
<td>Shadow Minister for Financial Services, Superannuation and Corporate Law</td>
<td>Hon. Chris Pearce MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer</td>
<td>Hon. Tony Smith MP</td>
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<tr>
<td>Shadow Minister for Sustainable Development and Cities</td>
<td>Hon. Bruce Billson MP</td>
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<tr>
<td>Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House</td>
<td>Mr Luke Hartsuyker MP</td>
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<tr>
<td>Shadow Minister for Housing and Local Government</td>
<td>Mr Scott Morrison MP</td>
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<tr>
<td>Shadow Minister for Ageing</td>
<td>Mrs Margaret May MP</td>
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<tr>
<td>Shadow Minister for Defence Science and Personnel</td>
<td>Hon. Bob Baldwin MP</td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs</td>
<td>Mrs Louise Markus MP</td>
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<tr>
<td>Shadow Minister for Early Childhood Education, Childcare, Women and Youth</td>
<td>Mrs Sophie Mirabella MP</td>
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<tr>
<td>Shadow Minister for Justice and Customs</td>
<td>Hon. Sussan Ley MP</td>
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<tr>
<td>Shadow Minister for Employment Participation, Training and Sport</td>
<td>Dr Andrew Southcott MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Northern Australia</td>
<td>Senator Hon. Ian Macdonald</td>
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<tr>
<td>Shadow Parliamentary Secretary for Roads and Transport</td>
<td>Mr Barry Haase MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Development</td>
<td>Mr John Forrest MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for International Development Assistance</td>
<td>Senator Marise Payne</td>
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<tr>
<td>Shadow Parliamentary Secretary for Energy and Resources</td>
<td>Mr Don Randall MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Senator Marise Payne</td>
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<tr>
<td>Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector</td>
<td>Senator Cory Bernardi</td>
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<tr>
<td>Shadow Parliamentary Secretary for Water Resources and Conservation</td>
<td>Senator Fiona Nash</td>
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<tr>
<td>Shadow Parliamentary Secretary for Health Administration</td>
<td>Senator Mathias Cormann</td>
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<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Hon. Peter Lindsay MP</td>
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<td>Shadow Parliamentary Secretary for Education</td>
<td>Senator Hon. Brett Mason</td>
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<tr>
<td>Shadow Parliamentary Secretary for Justice and Public Security</td>
<td>Mr Jason Wood MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>Senator Hon. Richard Colbeck</td>
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<tr>
<td>Shadow Parliamentary Secretary for Immigration and</td>
<td>Senator Concetta Fierravanti- Wells</td>
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<tr>
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Monday, 13 October 2008

The SPEAKER (Mr Harry Jenkins) took the chair at 12 pm and read prayers.

MAIN COMMITTEE
Private Members’ Motions

The SPEAKER—in accordance with standing order 41(h), and the recommendations of the whips adopted by the House on 24 September 2008, I present copies of the terms of motions for which notice has been given by the members for Parramatta, Moncrieff and Pearce. These matters will be considered in the Main Committee later today.

AVIATION LEGISLATION AMENDMENT (2008 MEASURES No. 1) BILL 2008
AVIATION LEGISLATION AMENDMENT (INTERNATIONAL AIRLINE LICENCES AND CARRIERS’ LIABILITY INSURANCE) BILL 2008
OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008
HIGHER EDUCATION SUPPORT AMENDMENT (REMOVAL OF THE HIGHER EDUCATION WORKPLACE RELATIONS REQUIREMENTS AND NATIONAL GOVERNANCE PROTOCOLS REQUIREMENTS AND OTHER MATTERS) BILL 2008
FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL 2008
TAX LAWS AMENDMENT (2008 MEASURES No. 3) BILL 2008
FIRST HOME SAVER ACCOUNTS (FURTHER PROVISIONS) AMENDMENT BILL 2008
FIRST HOME SAVER ACCOUNT PROVIDERS SUPERVISORY LEVY IMPOSITION BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—CUSTOMS) AMENDMENT BILL 2008
A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—EXCISE) AMENDMENT BILL 2008
A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—GENERAL) AMENDMENT BILL 2008
TAX LAWS AMENDMENT (LUXURY CAR TAX) BILL 2008
INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2008
PROTECTION OF THE SEA LEGISLATION AMENDMENT BILL 2008
TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL 2008
THERAPEUTIC GOODS LEGISLATION AMENDMENT (ANNUAL CHARGES) BILL 2008
TAX LAWS AMENDMENT (2008 MEASURES No. 4) BILL 2008

Assent

Messages from the Governor-General reported informing the House of assent to the bills.

COMMITTEES
Broadcasting of Parliamentary Proceedings Committee
Membership

The SPEAKER—I have received a message from the Senate informing the House that Senator Cormann has been discharged from attendance on the Joint Committee on the Broadcasting of Parliamentary Proceedings and that Senator Parry has been appointed a member of the committee.
Message received from the Senate returning the bills as amended by the House at the request of the Senate.

TAX LAWS AMENDMENT (POLITICAL CONTRIBUTIONS AND GIFTS) BILL 2008
Second Reading
Consideration resumed from 25 September.
Bill read a second time.

Third Reading
Ms McKEW (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (12.02 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FINANCIAL TRANSACTION REPORTS AMENDMENT (TRANSITIONAL ARRANGEMENTS) BILL 2008
Second Reading
Debate resumed from 18 September, on motion by Mr Debus:
That this bill be now read a second time.

Ms LEY (Farrer) (12.03 pm)—I am pleased to speak on the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008. Under the Financial Transaction Reports Act 1988, certain regulated businesses must report information about transactions to ASTRAC, the Australian Transaction Reports and Analysis Centre. These obligations cease on 12 December 2008, when updated measures begin under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the AML/CTF Act. However, there is a 15-month grace period under the AML/CTF Act to allow businesses to make reasonable steps to improve their systems in order to comply with the new obligations. New systems must be in place by 11 March 2010.

The Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008 fixes an unintended loophole which was: during the grace period, companies would not be required to report transactions after 12 December 2008 until their new systems were in place. The bill requires that reporting bodies continue reporting transactions under their old systems until their new systems are in place, thereby ensuring that ASTRAC maintains full records during the transition period. The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 is aimed at addressing the issue of money laundering in Australia, which is estimated to have a value of approximately $11.5 billion a year. The additional concern is the threat to national security posed by the financing of terrorism. The act also sought to implement Australia’s international obligations, including a commitment to bring Australian legislation in line with international standards, as set out by the Financial Action Task Force on Money Laundering.

The first tranche of reforms of the AML/CTF Act 2006 cover the financial sector, including banks, credit unions, building societies and trustees, and extends to casinos, TABs, wagering service providers and bullion dealers. The second tranche of the AML/CTF Act is for the expansion of designated services. On 13 July 2007, the Attorney-General’s Department released draft provisions setting out designated services which will be covered by the second tranche of the AML/CTF legislation. The sectors which will be affected by this second tranche legislation are: real estate agents, in relation to the buying and selling of real estate; dealers in
precious metals and stones engaged in transactions above a designated threshold; lawyers, notaries, other independent legal professionals and accountants when preparing for or carrying out certain transactions; trust and company service providers when they prepare for or carry out on behalf of a client the transactions listed in the glossary to the FATF recommendations. AUSTRAC, the Australian Transaction Reports and Analysis Centre, plays an integral role as Australia’s anti-money-laundering and counterterrorism financing regulator and specialist financial intelligence unit. AUSTRAC is an essential partner in the global fight against crime.

In its regulatory role, AUSTRAC oversees compliance with the reporting requirements of the AML/CTF Act and the FTR Act by a wide range of financial services providers, the gambling industry and other specified reporting entities, and cash dealers.

In its intelligence role, AUSTRAC provides financial transaction reports information to state, territory and Australian law enforcement, security, social justice and revenue agencies, as well as to certain international counterparts. The information from these reports is retained, compiled, analysed and disseminated by highly qualified AUSTRAC personnel using sophisticated tools. In collecting financial transaction reports information and ensuring signatories to accounts are identified, AUSTRAC assists its partner agencies in the investigation and prosecution of criminal and terrorist enterprises in Australia and overseas. The coalition recognises that Australia needs laws such as these to reduce the incidence and facilitate the tracking of money laundering and terrorism financing.

Due to the top-secret nature of terrorist investigations, including tracking their finances, we do not always hear about the successes that our agencies and organisations have. We have been fortunate enough not to have had a mass terrorist attack on Australian soil. It is a tribute to the skill, dedication and hard work of the AFP, our intelligence agencies and bodies such as AUSTRAC that we have prevented such attacks from taking place. These bodies are in many ways the quiet achievers and protectors of our society, and they deserve adequate support from the government.

There are currently five types of information that are reported to AUSTRAC: significant cash transaction reports, suspect transaction reports, international funds transfer instructions, cross-border movements of physical currency and cross-border movements of bearer negotiable instruments. AUSTRAC also acts as a primary source of information that identifies Australian taxpayers who may be engaged in tax evasion using tax havens. AUSTRAC routinely monitors domestic transactions over $10,000 as well as international transactions.

The laws that we are talking about bring Australian standards in line with international standards issued by the Financial Action Task Force on Money Laundering, FATF. The FATF is an intergovernmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. The FATF was established in 1989 by the G7, and Australia was a founding member. The FATF currently has 33 members, two of which are regional organisations. In October 2005, the FATF evaluated the AML/CTF systems in place in Australia. The evaluation found that, despite some strength in Australian systems, there was still work which needed to be done. The recommendations provide the starting point for reforming Australia’s anti-money-laundering and counter-terrorism financing systems. The AML/CTF Rules address key issues raised in the evaluation report.
Each year vast amounts of funds are generated from illegal activities such as drug trafficking, theft, people smuggling, arms trafficking and other corrupt practices. The criminals who raise these funds need to bring them into legitimate financial systems without raising suspicion. ‘Money laundering’ is the name given to the process by which illegally obtained funds are given the appearance of having been legitimately obtained. This could mean legitimate businesses or charities are used as a front for otherwise illegal activities.

It is estimated that up to $4.5 billion is involved in money laundering in Australia every year. Money-laundering risks will continue to increase with commercial and technological developments. It was therefore crucial that Australia’s anti-money-laundering laws were adapted to a changing international security and commercial environment. When Australia’s existing primary anti-money-laundering legislation, the Financial Transaction Reports Act 1988, was developed, most financial transactions were carried out face to face, over the counter at financial institutions. Banking services were offered through manual passbooks at branches that were generally open only from Monday to Friday. Electronic transactions, such as those conducted through ATMs, EFTPOS, and telephone and online banking, are rapidly replacing traditional banking and finance methods. In Australia today, fewer than 10 per cent of transactions are carried out in bank branches. The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 takes into account the extensive changes which have occurred in banking and financial services in Australia and overseas in recent years.

The Howard government introduced the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 in order to ensure there was a proper regulation of financial transactions in a way that would help detect and prevent money laundering and terrorism financing. These laws meet higher international standards and are in place to protect Australian businesses from being used for money laundering and terrorism financing. These laws were designed to make it harder for criminals to use the profits of crime and terrorism to receive money to carry out terrorist acts.

It is important to note, however, that terrorist organisations do not necessarily require a lot of money to achieve disastrous results. Today we remember the Bali bombings, costing only A$60,000 to execute. The September 11 attack on the World Trade Centre cost A$600,000 to execute. The Madrid attack cost A$12,000, and the London bombings cost less than A$18,000 to execute. Considering the small amounts of money required by these terrorist organisations to cause death and economic destruction, it is vital that we support bodies such as AUSTRAC, the AFP, ASIO and ASIS and continue to fund them appropriately. They need to be well resourced to be able to detect terrorist finances when they are in such small amounts that would not usually cause suspicion. Globally, trafficking in illicit drugs and weapons is a profitable means for terrorists to boost their funds. Terrorists have been involved in trafficking illicit drugs, as they are the most lucrative commodities to be traded. It is important to recognise the excellent work the Australian Customs Service does, in conjunction with the AFP, to prevent illegal drugs from entering Australia.

Australian law enforcement and intelligence organisations need to be supported in the effort to manage terrorist threats to Australia and our region. In East Asia, terrorist organisations have exploited trafficking in drugs and weapons, as well as engaging in organised crime, to finance their operations—serious international crimes. In South
Asia, the al-Qaeda network is reported to have trafficked heroin to support its operations globally. Terrorists and their financial supporters frequently commit illegal fundraising, money laundering, tax evasion, fraud and international currency violations. Thus, prosecuting individuals for financial crimes can be effective in coordinating the efforts of law enforcement authorities such as the AFP and can facilitate international investigations and ultimately may lead to the detention of terrorists. Following on from the Howard government’s proactive approach towards combating global terrorism, the coalition supports the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008.

Mr CRAIG THOMSON (Dobell) (12.15 pm)—I rise to support the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008. The bill will enable regulated businesses to continue reporting information to AUSTRAC under the Financial Transactions Reports Act 1988, the FTR Act, as they make the transition to the new reporting arrangements under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, referred to as the AML/CTF Act. Because the reporting obligations under that act begin on 12 December 2008, the amendments need to be enforced before then. From that date, reporting entities must incorporate ongoing customer due diligence systems and processes in their AML/CTF programs. This means that, in order to maintain a proper understanding of their customers, reporting entities may need to collect and verify additional customer identification information if they deem it necessary. Ongoing customer due diligence is a key element of a reporting entity’s control framework in identifying, mitigating and managing any money-laundering or terrorism-financing risks that they may face.

The Australian Transaction Reports and Analysis Centre, AUSTRAC, is Australia’s anti-money-laundering and counterterrorism-financing regulator and specialist financial intelligence unit. AUSTRAC’s purpose is to detect and counter money laundering and the financing of terrorism. Its vision is to be seen as an essential partner in the global fight against crime and terrorism. It is therefore essential to the safety and defence of this country. In its regulatory role, AUSTRAC oversees compliance with the reporting requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act, referred to as AML/CTF Act, and the Financial Transaction Reports Act 1988, or the FTR Act, by a wide range of financial service providers, the gambling industry and other specified reporting entities and cash dealers.

In its intelligence role, AUSTRAC provides financial transaction reports information to state, territory and Australian law enforcement, security, social justice and revenue agencies, as well as certain international counterparts. The information from these reports is retained, compiled, analysed and disseminated by highly qualified AUSTRAC personnel using sophisticated tools. In collecting financial transaction reports information and ensuring signatories to accounts are identified, AUSTRAC assists its partner agencies in the investigation and prosecution of criminal and terrorist enterprises in Australia and overseas.

In May this year, AUSTRAC took significant steps in expanding its global reach by adding four more countries to its international financial intelligence network. AUSTRAC is an active member of the Egmont Group of financial intelligence units, which consists of 106 FIUs and encourages international cooperation. At an Egmont Group meeting in Seoul, South Korea, AUSTRAC signed a memorandum of understanding with the financial intelligence units
of the Czech Republic, Germany, Mexico, and St Kitts and Nevis. This brings the total number of countries with which Australia has an MOU to 53. These memorandums allow Australian law enforcement and other government agencies to receive vital financial intelligence from these countries via AUSTRAC. It is vitally important that this international network continues to grow so that we can track this money in overseas accounts as well. It is not something that can be done in isolation. Therefore, it is very important that we continue to look to sign these memorandums of understanding with overseas countries. AUSTRAC’s Chief Executive Officer, Neil Jensen, said at the time:

The sharing of financial intelligence with other countries strengthens Australia’s ability to detect and prosecute money laundering and other serious crimes such as drug trafficking and fraud.

There is little doubt, as Mr Jensen said:

Through globalisation and the increasing use of advanced technology, transnational crime syndicates now have new opportunities by which they can exploit legitimate businesses to conceal dirty money. International cooperation is needed to combat this heightened threat.

As we all know, keeping up with rapidly advancing technology is in itself one of our biggest ongoing challenges.

AUSTRAC works bilaterally with its international counterparts to detect and prevent money laundering and the financing of terrorism. AUSTRAC holds memorandums of understanding with many European countries as well, and also has memorandums of understanding with the United States, Canada, Indonesia, Malaysia, the Philippines, Hong Kong, Singapore, Japan, South Korea, Brazil, Argentina and Chile. The ability to exchange financial intelligence with overseas investigating units significantly supports Australian law enforcement agencies. For example, AUSTRAC was involved in the Australian Crime Commission’s successful Task Force Gordian, which investigated the money-laundering activities of several Asian crime syndicates. This investigation resulted in 64 prosecutions for money laundering, narcotics trafficking and related offences.

While narcotics offences provide a substantial source of proceeds for crime in Australia, the majority of illegal proceeds are derived from fraud related offences. One Australian government estimate suggested that the amount of money laundered in this country ranges from $2 billion to $3 billion per year. Australia recognises and is responding to the continuing challenges posed by increasingly well-resourced and well-organised transnational crime networks.

Criminals use a range of techniques to launder money in Australia. Generally, money launderers seek to exploit the services offered by mainstream retail banks, larger financial services and gaming providers. Visible money laundering is predominantly carried out by using the regulated financial sector, particularly through the use of false identities and falsely named bank accounts, facilitated by forged documents, to structure and transact funds. Over the past five years or so, those in the regulated financial sector have made various moves towards making it tougher for false identities and false names to be provided. Money launderers often move funds offshore by using international funds transfers and also move funds through smaller or informal service providers such as alternative remittance dealers.

Australian authorities also identified other methods that served as money-laundering vehicles. Examples include cash smuggling into and out of Australia and the use of legitimate business to mix proceeds of crime with legitimately earned incomes or profits. Law enforcement has also recognised a growing trend in the use of professional
launderers and other third parties to launder criminal proceeds.

A wide range of financial institutions exist in Australia. These include depository corporations such as banks, building societies and credit cooperatives. There are financial markets, insurance corporations and pension funds such as life insurance, general insurance and superannuation funds. As well, we have financial corporations, including financial intermediaries such as financial unit trusts and investment companies, and financial auxiliaries such as security brokers, insurance brokers and floatation corporations. There are also foreign exchange instrument dealers, money remittance dealers and bureaux de change. The full range of designated non-financial businesses and professions exists in Australia. Casinos, which are mainly supervised at the state or territory level, as well as dealers in precious metals and stones, and lawyers are subject to some AML/CTF requirements. Money is also handled by notaries, real estate agents, accountants, and trust and company service providers.

The Financial Transactions Report Act was Australia’s original anti-money-laundering legislation. Importantly, the act provided for reporting of certain transactions and transfers to AUSTRAC. Many of the obligations in the FTR Act will soon be replaced with updated measures under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

Catching money launderers and financiers of terrorists would certainly have been a lot more difficult in days gone by, especially if designated non-financial businesses and professions were used for such criminal activities. For a start there was no specific obligation for financial institutions generally to monitor all complex or unusually large transactions and transactions with no visible economic purposes, or to further examine such situations and to set out any findings in writing. The monitoring obligation was only implied and indirect and it did not cover the full range of monitoring situations. For some years many firms operating in Australia did not have the mandatory customer due diligence. They did not have record-keeping and other obligations as required under recommendations in a 2005 Financial Action Task Force report.

The Financial Action Task Force is an intergovernmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. In that same document, it was reported that there were no specific requirements for most of the designated non-financial businesses and professions to pay special attention to complex and unusual transactions. Suspicious transaction reporting provisions were generally adequate, but there was a limitation of the ‘cash dealer’ definition, which did not apply to all financial institutions.

When the task force wrote their evaluation in 2005, there was a requirement to report transactions suspected of being related to a terrorist-financing offence; however, the evaluation team’s concern regarding the scope of the terrorist-financing offence led the team also to be concerned that this could limit the reporting obligation. At the time the team also stated that legislative amendments were required to oblige financial institutions to have in place institutionalised AML/CTF internal controls and policies. Those obligations were to include requirements for financial institutions to have a designated AML/CTF compliance officer at the management level, have an adequately resourced and independent audit function, establish ongoing employee training and put in place adequate screening procedures.
Most of the financial institutions and professions were not legally required to report suspicious transactions to AUSTRAC. They also were not required to develop internal policies, procedures and internal controls, and ongoing employee training and compliance in respect of AML/CTF. For a long time there were no adequate, enforceable measures to pay special attention to transactions involving certain countries, make their findings available in writing or apply appropriate countermeasures. But all that has changed or is certainly well on track to being tightened up.

This bill will help businesses that are making the transition to the new reporting arrangements. The AUSTRAC Chief Executive Officer may only take action against a reporting entity for a breach of the AML/CTF Act if he or she is satisfied that it has not taken reasonable steps to comply with its obligations under that act. This grace period ends on 11 March 2010. Between the commencement of the new AML/CTF Act obligations on 12th December 2008 and the end of the grace period, there are likely to be a significant number of businesses that are not fully compliant with the new reporting obligations. It is important that these businesses are permitted to continue reporting relevant transaction information to AUSTRAC under the FTR Act until such time as they become compliant with the AML/CTF Act.

The amendments maintain the regulatory status quo under the FTR Act. They do not impose any additional regulatory burden on business. The Office of Best Practice Regulation has granted a regulatory impact statement exemption. If the amendments are not in force by 12 December 2008, regulated businesses will have no legal authority to report relevant transactions to AUSTRAC under the FTR Act and will have no legal protection if they continue to do so. That is why it is vital this bill is passed. Primary responsibility for compliance with the requirements of the FTR Act and the AML/CTF Act rests with each reporting entity’s own board—if they have one—and senior management. It is anticipated that most entities will seek to comply with their obligations. However, there will be some who do not comply with the law through ignorance, failure of their systems, lack of effort or even, on occasion, a wilful or dishonest intention.

As the regulator, AUSTRAC is responsible for promoting compliance with legislative requirements. To this end, AUSTRAC has been given powers to monitor the level of compliance being achieved by the entities. Through its monitoring activities, AUSTRAC aims to foster an environment of continuous voluntary compliance. The agency also aims to identify the level and extent of any noncompliance for the purposes of formulating a rectification plan that is proportionate to and appropriate for the problem and ensuring that the integrity of the FTR Act and the AML/CTF Act is upheld.
Just three weeks ago AUSTRAC released a reporting implementation policy to assist reporting entities with new obligations under the AML/CTF Act, which takes effect from 12 December 2008. Reporting entities will need to report suspicious matters and, if applicable, threshold transactions and international fund transfer instructions to AUSTRAC. AUSTRAC has throughout the staggered implementation of the AML/CTF Act focused on supporting reporting entities in understanding and complying with their new obligations. That support has included developing new tools and systems and providing education and guidance such as the policy released three weeks ago. The policy outlines the seven new reportable details forms and the four reporting methods AUSTRAC has designed to meet the size and technology requirements of reporting entities. The policy also provides information for new reporting entities, as well as those entities who have been reporting to AUSTRAC as cash dealers under the FTR Act.

The reforms under the Anti-Money Laundering and Counter-Terrorism Financing Act are aimed at addressing the risk of money laundering in Australia and the threat to national security caused by the financing of terrorism. The first instalment of reforms, covering the financial sector, includes banks, credit unions, building societies and trustees and extends to casinos, TABs, wagering service providers and bullion dealers. The second group of reforms covers real estate agents, dealers in precious metals, dealers in precious stones and a range of non-financial transactions provided by accountants, lawyers and trust and company services providers.

This is a very important bill for ensuring that laundering money for either criminal or terrorist purposes are tracked both internationally and here in Australia. It is therefore important that this parliament pass it as quickly as possible. I commend the bill to the House.

Mr WOOD (La Trobe) (12.32 pm)—I also rise to speak in support of the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008 and I thank all the other members for their participation. A bit of background about the bill itself: the anti-money-laundering legislation is administered by the Australian Transaction Reports and Analysis Centre, otherwise known as AUSTRAC, through the Financial Transaction Reports Act 1988. Its principal objective is the administration and enforcement of taxation laws. In 2006 the former government passed the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, also administered by AUSTRAC, to comply with the recommendations from the Financial Action Task Force—the FATF—an international organisation promoting policies to prevent money laundering.

In the first instance this was to look at tax avoidance. But, with the way crime has moved forward and in the fight against terrorism, terrorists have realised that the best way to move funds is by legitimate means. We heard the shadow minister for justice and customs talk about charities being set up to finance terrorism and crime. Sadly, criminals and terrorists will use any measures and any type of legitimate means to obtain money.

The bill amends several sections of the FTR Act, chiefly affecting reporting requirements, to close several unintentional loopholes that could jeopardise the comprehensiveness of AUSTRAC records. Section 7 requires cash dealers to report any significant cash transaction, defined as a transaction of $10,000 or more, except in certain circumstances, including if the transaction occurred after the commencement of division 3, part 3 of the AML/CTF Act. The bill will enable
cash dealers to report transactions to AUSTRAC under existing FTR provisions until 11 March 2010. Further to this the bill will allow cash dealers to comply with either the old or the new reporting requirements. This will close a loophole that would otherwise mean that, when the old reporting requirements ceased on 12 December 2008, companies would not be required to report transactions after this date until their new systems were in place.

I can see businesses wondering why we have this bill. It will obviously require more work and it has more regulatory requirements. Sadly, as I said before, criminals will use any loophole to gain an advantage. Terrorists have the means to commit atrocities against what they call ‘the infidels’ and they do not care if they set up a charity organisation to move funding. They do not care who the innocent victims are at the end of the day. We come back to Australian business and the Australian people wondering why we need to do this and where the evidence for it is. I go back to the doomsday cult otherwise known as Aum Shinrikyo. Some may remember in March 1995 that we had the sarin gas attacks in the Tokyo subways. These attacks were very well coordinated. Gas was released on five different trains. Very sadly, 12 people died because of the sarin gas attacks and thousands were injured, including some suffering severe cases of eye damage.

You may be wondering where the connection is to Australia: from April 1993 to October 1994 the Aum Shinkrikyo cult actually had its members based in Western Australia. They purchased a 500,000-acre sheep farm 375 miles north-west of Perth. They formed two companies. One was called Clarity Investments and another called Maha Posya Australia. In June 1993 Maha Posya was used to import electrical equipment, including transformers, static converters, generators and cable, to Australia. The purpose was to set up a false company where they would use this to eventually undertake testing in Australia. They used the Maha Posya front company to purchase the Banjawarn station for approximately $400,000. To do this they had to transfer funds over the value which this bill is looking at—that is, over $10,000. So we saw a terrorist organisation using legitimate means, by setting up a company, to then transfer money.

When they first came to Australia the cult paid in excess of $20,000 for baggage fees. They tried to bring in a number of chemicals and other machinery, including gas masks. They were forced to pay an extra $15,000 to collect these items. They also tried to bring in hydrochloric acid and ammonium nitrate chloride, which has been used in terrorist attacks. So what they were trying to do was to bring chemicals into the country. Subsequently, all of their chemicals were seized. They set up another company to purchase chemicals from Australian chemical producers. I believe it was in Melbourne that they actually purchased some chemicals to start their testing on their property in Western Australia.

I will digress for just a minute or so and say that this is why it is so important that we have the CrimTrac database. The CrimTrac database is a national database. We can include on that database people buying, for example, high-consequence dangerous goods—being chemicals such as ammonium nitrate fertiliser. It also has listed shooters licences et cetera. So, if the Australian Federal Police or Customs contact AUSTRAC, they can find out if there has been a transaction over $10,000 which may be suspicious, and obviously this one was.

Eventually, in March 1995, after the Tokyo subway attack, the property was sold and the new owners of the property called the police in to have a look at the property, as
they found all these chemicals. At the time, the Minister for Justice was Duncan Kerr. He said that the Aum members tested sarin in Australia before the Tokyo subway attack. The Hon. Duncan Kerr said also that sarin residue had been found near a group of about 29 dead sheep at the station. So terrorist organisations have very firm links to Australia going back to 1995. We also know that with JI quite often there would be transfers of money from Australia to Indonesia to terrorist related organisations. This is something which needed to be stamped out and resolved as a matter of urgency. Again, that is why this bill is so important.

When it comes to major criminal activity, the more drugs you want to import into Australia, the more money you need to purchase those drugs in the first place. That is the way it works. The same applies to terrorism. The bigger the terrorist attack you want, the greater the amount of money it requires. For example, in Jordan in April 2004 there was a plan to kill 80,000 people. I will say that again: we are talking about 80,000 people. The terrorist leader was Azmi al-Jayousi. He planned to use 71 lethal chemicals, including blistering agents, nerve gas and choking agents, and to crash these into government buildings including the US embassy in Jordan. The devastation would have been horrific. An attack like that was unprecedented. We have heard other members of the House talking about using false identification; that is precisely what these terrorists did. They used false identification to purchase trucks and set up companies to purchase the chemicals. Al-Jayousi actually received $170,000 from al-Zarqawi via messages from Syria to finance the truck-bomb plot. So, again, we are seeing terrorist organisations move large amounts of money to finance terrorist activity.

The only way Australian authorities can keep or try to keep ahead of the terrorists is by making sure we have the toughest legislation to ensure we have the best safeguards and the best intelligence services available. That is why this bill is so important: it again gives an extra tool to our law enforcement agencies via AUSTRAC to follow transactions which may be suspicious and may be made by terrorist groups or criminals.

I will make just one final point. We heard members of the government talk about the Australian Crime Commission and their great work when it came to prosecuting 64 people regarding financial transactions. The sad reality is this: the Australian Crime Commission have had a three per cent cut-back and their staff have been reduced from 650 to 600. Any reduction in law enforcement agency staff must diminish the way we can deal with terrorism and deal with major crime. Remember that, just because there are cuts in our budgets, terrorists or criminals will use this to further their ends and look at this as a loophole which they can exploit. In conclusion, I support this bill very much and congratulate the government for bringing it on. Again, I congratulate all the law enforcement agencies for all the great work they do.

Mr NEUMANN (Blair) (12.44 pm)—I rise today to speak in support of the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008. The aim of the bill is to help business, and I am confident that it will assist the regulating entities during the transition to the new reporting format by allowing them to continue to report to the Australian Transaction Reports and Analysis Centre, commonly known as AUSTRAC, as they have done under the Financial Transaction Reports Act 1998.

In the last few weeks we have witnessed extraordinary circumstances globally, and, whilst geographically we are an island, and a very big one at that, financially we are inter-
woven with the world system—we are inextricably linked—and money goes back and forth at the click of a button and the lifting of a telephone. This bill is important because it maintains the regulatory status of the Financial Transaction Reports Act and does not impose any regulatory burden on business. At this particular time the businesses in my area, the federal electorate of Blair, are concerned about what is happening globally, as they are across the country. It is important that we allow our businesses to remain viable and prosperous and to keep employment as full as we possibly can, to ensure that the working families and those who are struggling in our electorates are looked after. Keeping businesses profitable is crucial in the circumstances that we currently face financially. In many ways this bill is about allowing business more time to develop the necessary compliance systems. It is important that entities comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, commonly known as the AML/CTF Act, and the reporting requirements necessary under that piece of legislation.

The bill that is before us applies to threshold transactions, international funds, transfer instruction and suspicious matter reports. It is going to be welcomed by businesses—I know it will be welcomed by businesses in my area—because there are businesses, small and large, that move money across the country and overseas. There will be an end to the grace period, and many businesses that are not yet compliant will eventually move to that compliance. The AML/CTF Act replaces the Financial Transaction Reports Act, which, as Bob Debus, Minister for Home Affairs, announced in his second reading speech, was Australia’s original anti-money-laundering legislation.

This piece of legislation before us today has been introduced to improve our nation’s existing anti-money-laundering and counter-terrorism financing system. These new laws will meet higher international standards to protect Australian businesses from being sued for money laundering and terrorism financing. The greater the quality, accuracy, and timeliness of reports from business entities, the greater the value they have in terms of detection, deterrence and the destruction of any criminal terrorist activity and money laundering. This new law will make it harder for criminals to use the profits of crime, and it will make it far more difficult for terrorists to receive moneys, to use those moneys and to transfer moneys across international borders to engage in nefarious terrorist activities.

This act is a major reform towards enabling our financial sector to maintain international business relationships with countries in our region, with Europe and with the Americas. It prevents and detects money laundering and terrorism financing by meeting the needs of law enforcement agencies for targeting information, which is so crucial, about possible criminal and terrorist activities. It brings us as a country into line with international standards in this regard, including the standards set by the Financial Action Task Force. The reforms in this piece of legislation enhance Australia’s anti-money-laundering and counterterrorism financing legislation. It will provide law enforcement agencies with the highest quality financial intelligence to assist in the detection and prevention of terrorist activity and the laundering of the proceeds of crime. It is absolutely crucial that we engage in this sort of thing. It is absolutely vital that we have the best quality and increasing excellence of reporting to regulators to ensure they detect the instances of crime.

In my previous life as a lawyer, I can assure you that there were many occasions when clients of mine talked to me about
money going between Australia and overseas and how they did it. It is difficult for law enforcement agencies to get to the point where they can actually detect how much money is being transferred between Australia and overseas. There are a lot of legitimate financial transactions in terms of gambling, bullion activities and other business related activities, but there are a lot of transactions that are simply money laundering and used for criminal activities. We have to be in the position of knowing when it happens and of being able to detect it and prevent it from happening in the best possible way.

This bill amends the Financial Transaction Reports Act and establishes transitional provisions to authorise certain cash dealers to continue reporting suspicious transactions, international funds transfer instructions and significant cash transactions to AUSTRAC under the Financial Transaction Reports Act up to the end of 11 March 2010 or until they become compliant under the AML/CTF Act, whichever comes first. It authorises solicitors, solicitors corporations—and there are many of those around the country these days—and partnerships of solicitors to continue to report to AUSTRAC with respect to cash transactions under the Financial Transaction Reports Act until the end of 11 March 2010 or until they become compliant with the new act, whichever comes first. It also authorises certain cash dealers to enter transactions into their exemption register until the end of 11 March 2010. It will enable regulated businesses to continue reporting important information to AUSTRAC as they make the transition to the new reporting regime.

AUSTRAC is Australia’s anti-money-laundering and counterterrorism financial regulator, and it is the specialist when it comes to financial intelligence. AUSTRAC was initially established under the Financial Transaction Reports Act 1988, and its role is continued under the AML/CTF Act 2006. In its regulatory role, AUSTRAC oversees compliance with the requirements of the legislation by a wide range of financial service providers, including the gambling industry and others. In its intelligence role it provides to state, territory and Commonwealth government law enforcement, social security, social justice and revenue agencies information which is crucial to the detection of crime and the prevention of terrorism. Transaction reporting obligations under the AML/CTF Act will come into effect on 12 December 2008 and from this date reporting entities will be required to report international funds transfer instructions, threshold transactions and suspicious matters.

The legislation before us allows a period of grace, as I said. It covers the financial sector, the gambling sector, bullion dealers and other professionals and businesses. It will provide particular information when it comes to designated service. The reporting obligations under the AML/CTF Act come into effect on 12 December 2008. Though it is expected that many of the reporting entities will be compliant, it is recognised that, in the challenging times we find ourselves, for a variety of reasons not all of them will be compliant by that date. With this in mind, a 15-month period of compliance—that is, until 12 March 2010—is appropriate. It is crucial that we get this right.

The previous speaker spoke a lot about terrorism, but I want to concentrate for just a few minutes on offshore tax evasion because AUSTRAC plays an important role in that regard. It is crucial that we monitor regularly all domestic transactions and all international funds transfers over $10,000. AUSTRAC records the particulars of customers ordering and beneficiaries. It also records the amount being transferred, the accounts debited and credited and the financial institutions. The OECD in 2007 estimated that globally US$5 trillion to US$7 trillion is held offshore. A
considerable amount of this money is held, sadly, in tax havens—and that is a major problem for many countries. In the financial year 2007 about $16 billion was sent to tax havens from Australia and about $18 billion was sent directly from tax havens to Australia, according to the Australian Taxation Office submission to the US Senate Committee on Homeland Security and Governmental Affairs for its 17 July 2008 hearing on tax haven banks and US tax compliance. The Australian Taxation Office in its submission said:

…the Australian Transaction Reports and Analysis Centre (AUSTRAC), Australia’s Financial Intelligence Unit (FIU), has sophisticated capabilities to track international fund flows. But what worries me is that the Australian Taxation Office also said in its submission that it was:

… not aware of an effective way to estimate precisely the amount of tax at risk.

This was confirmed by the Commissioner of Taxation on 3 October 2008, in his fourth biennial meeting with the Joint Committee of Public Accounts and Audit. We simply have to find better ways to track this. We need to look at how we can do this. I am not suggesting, Madam Deputy Speaker, you have all the province in your mind as to how we do this, but we simply have to find better ways to track money that goes overseas from Australia and back into Australia. We have to find ways to estimate just how much is going into tax havens and beyond.

In fairness, the Commissioner of Taxation has said that there are a number of mitigating factors in Australia that help us in this regard. He said that the following play a role: geography; the existence of AUSTRAC itself; our own vigilance in the area; the lack of an inheritance tax or gift duty; the relative size of the flow of funds from Australia to tax havens compared to other countries; sim-ply, the law-abiding ethic of most Australians; and the message that the Australian Taxation Office has sent with Project Wickenby and other activities. But we really must be vigilant in this regard. I commend the Australian Taxation Office for their involvement in the multiagency task force known as Project Wickenby, which was formally funded in 2006 to investigate internationally promoted tax arrangements, alleged tax avoidance or evasion and, in some cases, large-scale money laundering. The project has $305 million in funding over seven years and its focus is really on detecting these problems. We know it has led to a number of arrests and charges—and I will not go into detail about those. The ATO is looking at a number of tax havens as well. The use of Lichtenstein entities and bank accounts in these circumstances is also a worry to everyone. The Australian Taxation Office is conducting about 20 tax audits and, according to the ATO, it is likely to raise in excess of $1 million.

So these are real problems for us as a country. We need to be vigilant. This particular piece of legislation we have before us today is crucial in that regard. Audits by the Australian Taxation Office, the issuing of information and production notices domestically and offshore, formal interviews and informal interviews, accessing premises: all of those things are important for the Australian Taxation Office, but having this type of legislation in front of us today that will deal with preventing these problems is simply vital in the circumstances. It is vital for business and it is vital for the taxpayers of Australia who pay tax, although they all think they pay too much, in my experience, or they think that we do not use it as wisely as they would like. The truth is that we need to be extremely careful when it comes to money laundering and we need to be vigilant always to ensure that money that leaves or comes
into this country is not used for domestic or international terrorism.

I commend this piece of legislation to the House because I think it will play an important role in helping us to be ever aware and ever keen to prevent these problems from flourishing on our shores. The vast majority of Australians are law-abiding citizens who love their country and pay their taxes—sometimes grudgingly, but always willingly in the circumstances—and they would not ever dream of engaging in the kinds of activities that this piece of legislation deals with. But for identifying those engaged in criminal activities and activities that go against the heart of our society, that go against the lifestyle that we believe is important and appropriate for Australia—that is, one of the rule of law, of freedom of association, of the right for the people of Australia to determine the kind of government we have and for that government to run the country efficiently, effectively and democratically—this type of legislation is so important. It is probably not the sexiest piece of legislation that you could imagine, but it has a very important role in preventing the kind of criminality that Australians abhor. I commend the bill to the House.

Mr RIPOLL (Oxley) (1.02 pm)—Thank you for the opportunity to make a few short comments on this very important bill, which I think is a highly attractive bill to many people in the community and to those who deal in financial transactions—be they accountants, solicitors, cash dealers, lawyers or a whole range of other people. In speaking in support of the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008 I want to make a couple of comments. The history in Australia of ordinary people doing the right thing is well established and, as the previous speaker, the member for Blair, just said there is this great ethic across the Australian community of people maybe begrudgingly but certainly willingly paying their taxes and meeting their obligations. It is well and truly part of the Australian culture. For that reason, and for a range of others in terms of Australia playing its role in a global market where many tens of billions of dollars, or even trillions of dollars, shift from one place to another—sometimes specifically for the purposes of money laundering or tax evasion or for other reasons, including terrorist activities or financing terror—it is important that the Australian parliament and the Australian people have sound legislation which ensures that the regulatory frameworks that we have here mean that we can do everything in our power to prevent those things happening.

This bill in particular will enable amendments to be made to the Financial Transaction Reports Act and it will shift existing financial transactions and their subsequent reporting arrangements from their current position, which is under the Financial Transaction Reports Act, through to the new arrangements which are covered under the Anti-Money Laundering and Counter-Terrorism Financing Act. So it is really a shifting of responsibilities from one particular act through to another act. As always, any shift from one particular set of rules to another has consequences—some of them intended, some of them unintended—and sometimes that just means that not everybody who participates in those particular areas is fully prepared for what those changes will mean. It is also important to note that there will be no financial impact caused by these changes, so there will be no financial impact for this place and there should not be any costs for anyone else involved.

This is about easing the transition of reporting standards and assisting those businesses that are directly affected by this change from the FTR Act to the AML/CTF
Act. It is also about protecting these regulated businesses from being exposed to legal implications past the 12 December 2008 implementation date. The intention of these transitions is not to catch out the people who transact or report these transactions in terms of their reporting obligations, but to ensure that during the transition, during the implementation, they can have either the old act or the new act apply in a correct manner. These amendments must be in force before 12 December this year so that regulated businesses can continue reporting information to AUSTRAC. The importance of that is that we want people to continue in their current roles of reporting significant or suspicious transactions, whether it is under the old mechanism, as they currently do, or whether it is under the new act, which will be implemented on 12 December this year.

Australia has a long history of having legislation in place to deal with money laundering. The Financial Transaction Reports Act 1988 was Australia’s original anti-money-laundering legislation. Over the years, there have been a number of updates in recognition of money laundering particularly relating to terrorism. The FTR Act provided for the reporting of certain transactions and transfers to AUSTRAC, the body responsible for monitoring and keeping tabs on money as it moves from one place to another.

Currently, in order to assist businesses that are making the transition to the new reporting arrangements, the AUSTRAC CEO may take action against a reporting entity for a breach of the AML/CTF Act only if he is satisfied that it has not taken reasonable steps to comply with its obligations under that act. Basically, that means that the person in charge has to be satisfied that reasonable action was not taken, that it is not meeting its obligations under the act, and not merely that there is some confusion as to the transition from one act to another. We have put in place a grace period to ensure that the system continues to operate smoothly. That grace period will end on 11 March 2010.

Between the commencement of the new AML/CTF Act obligations on 12 December 2008 and the end of the grace period, there is likely to be a significant number of businesses not fully compliant with the new reporting obligations. It is important that those businesses be permitted to continue reporting relevant transaction information to AUSTRAC under the FTR Act until such time as they become compliant with the AML/CTF Act. In no way do we want to limit the ability of people to report because of the transition to the new act. Whether or not they are compliant, we want to ensure that parties can still report transactions. We do not want to add more red tape or additional paperwork. We want to ensure that it happens in an efficient manner.

Business will also have the added advantage, through this new mechanism, of not having to submit duplicate reports—one pertaining to the original act and one pertaining to the new act. This is about delivering assistance for businesses until they become fully compliant with the new reporting regime. The amendments will establish transitional provisions to, in particular, authorise certain cash dealers to continue reporting suspicious transactions, international funds transfers and significant cash transactions to AUSTRAC under the FTR Act up until the end of 11 March 2010 or until they become compliant with the AML/CTF Act, whichever comes first.

The amendments will authorise solicitors, solicitor corporations and partnerships of solicitors to continue to provide AUSTRAC with cash transaction reports under the FTR Act up until the end of 11 March 2010 or until they become compliant with the AML/CTF Act, whichever comes first. It
will also authorise certain cash dealers to enter transactions into their exemption register up until the end of 11 March 2010, a significant part being that we continue to allow those who would be exempt to continue to record those exemptions in the register until that period, so that certain transactions are not missed because of the transition from one act to another.

This bill anticipates that certain cash dealers and solicitors may not be fully prepared for the commencement of the AML/CTF rules and obligations which commence later this year. The AML/CTF regime has significant compliance rules and obligations. It was never the intent to penalise parties or groups if they could not meet the compliance obligations. They can continue to use the old rules until the transitional period is over and they are able to comply with the new rules.

The bill is a sensible, non-controversial move. It fulfils our obligations and allows more time for those moving from one set of arrangements to new arrangements. It has wide support across the parliament and I commend the bill to the House.

Mr ZAPPIA (Makin) (1.12 pm)—I rise to support the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008 for a number of reasons. This bill seeks to amend the Financial Transaction Reports Act 1988 and extends the transition period of the 2006 amendments to that act to 11 March 2010, enabling businesses which are not yet compliant with the 2006 reporting obligations additional time in which to become compliant. They will be required to report financial transactions in accordance with their obligations under the 1988 FTR Act until such time as they can comply with the 2006 amendment or until 2010, whichever comes first. The 1988 FTR Act targets money-laundering activities often used to transfer the proceeds of criminal activities or to fund terrorist activities. In March this year, the Minister for Home Affairs stated that, according to the Australian Institute of Criminology, some $4½ billion are laundered in Australia each year.

The FTR Act can also be effective in identifying white-collar crime activities such as tax evasion, fraud or scams where the money is transferred overseas into the fraudster’s bank account. I note the comments of the member for Blair in respect of tax evasion. The contribution he made is one which I endorse. I will not repeat the argument he put but he certainly made the case very strongly that tax evasion is an important issue that needs to be responded to in this country and, for that matter, across the world.

The area that I want to focus my remarks on in respect of this bill is the area relating to the use of scams, which are regularly taking place and stripping millions of dollars from hardworking victims. It is a serious issue which sometimes perhaps tends to be side-tracked because of the emphasis placed on money laundering for criminal purposes or terrorist activities and so on. Sadly, it is a very real issue that occurs on a daily basis out there in the community and affects so many people. Sadly, many of the victims who are affected lose their life savings or their retirement provisions, leaving them devastated or ruined. More frustrating is that most of the funds lost can never be traced and therefore are never recovered.

According to information provided by the Parliamentary Library, in 2007 Australians lost $980 million through scams and personal fraud. The most common types of scams were lottery scams, with some 84,100 victims recorded; pyramid schemes, which affected 70,900 victims; and phishing, a term which I have not heard before and which I may have mispronounced, which affected about 57,800 people. Phishing, which is
spelled with a ‘ph’, is where victims are tricked into handing over bank account or credit card details. These figures only reveal part of the problem. According to the first national personal fraud survey, commissioned by the Australian Bureau of Statistics and released in June of this year, a total of 806,000 Australians reported that they were victims of at least one incident of personal fraud in the previous 12 months, and around six million Australians had been exposed to a range of selected scams. Of these, 453,100 Australians lost an average of $2,160 as a result of personal fraud.

Many of these frauds or scams originate from overseas and where scams are perpetrated from within Australia in many cases it is very likely that scam funds are then transferred to overseas bank accounts. In one international case reported by the Australian Competition and Consumer Commission in August 2007 more than $316,936 was recovered from a North American based scam operation after a joint investigation between the Australian Competition and Consumer Commission, the Queensland Police Service and the Competition Bureau of Canada. This was a common scam method where victims receive correspondence advising them that they have won a lottery or come into some other type of financial benefit or prize. The victims are told that, before the funds can be transferred to them, they must pay an upfront fee. In the North American scam case, authorities were alerted by a vigilant employee of the Adelaide based Powerstate Credit Union. In this case the joint action disrupted the operations of 37 scam promoters. Regrettably, there are many other scam methods being perpetrated every day where the funds are never recovered. The Nigerian based scams that most people are familiar with, where upfront fees are paid, are estimated to raise up to $680 million per year globally.

But the scams are not limited to unsuspecting individuals. In one case that I am aware of, the scams have also targeted Australian charities that rely on the goodwill and generosity of individuals and on community donations. Our charities often receive bequests both large and small from within Australia and also from overseas. It is unfortunate that our own Australian charities are a target. The charity is notified that someone has left a large bequest to the charity foundation, usually several million dollars. The scammer begins to groom the charity by requesting that the charity officially apply in writing as to what they propose to do with the bequest funds. Once the charity’s proposal for the bequest is approved—this is by the scammer—they then ask for a transfer fee. They say that funds to cover those fees must be transferred into an overseas account prior to any bequest funds being transferred to the Australian charity’s bank account. They say that once they have the transfer funds, they will then request the charity’s bank account number so that they can transfer the bequest funds. The bequest funds never come because they do not exist. This then leaves the charity vulnerable to internet fraud. In the particular case that I am familiar with, the scam originated in Nigeria but the funds were transferred to a bank in the USA. Nigeria, however, is not the only country that is known as being the origin of global scam operators, with Britain, the US and Germany often being mentioned.

Over the years there have equally been numerous cases of tax evasion or corporate crime where funds have undoubtedly been transferred to overseas safe havens, leaving investors or creditors with huge losses. The case of Heinrich Kieber, the whistleblower who exposed the activities of the Liechtenstein LGT Banking Group, highlighted the extent of tax evasion throughout the world—and what he highlighted was possibly just the
tip of the iceberg. In that very small country of Liechtenstein there are, I understand, some 15 banks in operation that currently hold assets in the order of $200 billion. One wonders just how extensive this issue of tax evasion—and corporate fraud, for that matter—is globally. We may never know, because in many cases the activities and transactions are illegal and therefore not properly recorded anywhere for us to get a true understanding of the significance of this very serious crime issue.

Interestingly, in today’s Australian, in a story by journalist Michael Pelly, it is reported that the Director of Public Prosecutions, Chris Craigie SC has called for tougher penalties for corporate criminals, who appear to be judged leniently because of factors such as personal humiliation, loss of social status and ruined careers. It is reported that Chris Craigie believes that more emphasis should be placed on the lasting harm and economic hardship caused to victims when sentences are handed down. I use the quotations from Chris Craigie because his is a view that I strongly share.

I recall that many years ago Ralph Jacobi, a former member of this place, raised the issue of white-collar and corporate crime in this House on several occasions, effectively arguing the very same case, that there are almost two standards in our society: one for what you might refer to as ‘everyday criminals’ and one for ‘corporate criminals’, who always appear to be treated somewhat differently. I believe that that needs to stop because the victims of criminal activities in both cases suffer equally.

There is one other matter I want to refer to in respect of this bill. It is a matter that has been brought to my attention by constituents in my electorate in recent weeks. I have been contacted by constituents who receive a German pension payment. For the first time, they are being charged a $3.50 transaction fee each time the payment is credited to their account. In each case the pension is from Germany and the bank referred to has been the Commonwealth Bank. The Commonwealth Bank has advised its German pension clients that the $3.50 fee has become necessary as a result of the bank’s compliance costs relating to the FTR Act. I want to quote part of a letter from the Commonwealth Bank sent to one of the constituents that I refer to. It says:

Dear valued client,

Due to the introduction of Anti-Money Laundering and the Suppression of Terrorist Financing Legislation, the Commonwealth Bank has recently made changes to the way overseas payments (including German pension payments) are processed.

These changes have imposed additional processing costs on the Commonwealth Bank and as a consequence, a fee of $3.50 will be deducted from your German pension payments from 01 August 2008.

I took the matter up with the Minister for Home Affairs and he quite rightly pointed out that banks are entitled to charge these fees. I accept that, and $3.50 may not be a large amount but, to a pensioner, it is important.

Interestingly, as a result of other inquiries I have made, I have found that it appears that no other bank is charging this same fee. My concern here is this: whilst the Commonwealth Bank of Australia is well within its rights to charge this fee, I would like to think that this particular legislation is not being used by banks or any other financial institutions as an excuse to charge additional fees. I certainly accept that, as a result of this legislation, there is greater imposition being placed on banks in order to carry out the monitoring that they are obliged to in the reporting of transactions that they are expected to report on. But in this particular...
case the money is coming from the German government to a pensioner and has been coming for years and years and it would seem unnecessary to be charging a fee, and I am surprised that there are additional costs incurred in monitoring this particular transaction. So I appeal to the Commonwealth Bank to drop the $3.50 fee that it charges recipients of the German pension here in Australia because, as I have stated, I believe that the $3.50 does matter to the recipients of that pension.

I support this legislation for all of the reasons outlined by other speakers who have spoken on it. It is an important piece of legislation. In effect, it is legislation that assists the Australian government in fighting crime, terrorism, corruption, fraud and scam operations. The victims of all of those activities are inevitably the Australian people and sometimes those victims have their lives destroyed as a result of any one of those activities that I have referred to. I therefore commend the bill to the House.

Mr DEBUS (Macquarie—Minister for Home Affairs) (1.26 pm)—in reply—I thank all members for their contributions to the debate on the Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008. I believe each contributor supported it. The bill, as has been indicated, contains a number of amendments that ensure that businesses can continue to report to AUSTRAC as they work towards compliance with the new reporting obligations that are contained in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

I do emphasise that amendments will not create any duplication in reporting obligations. To the contrary, the purpose of the legislation is to ensure that the simplest possible reporting arrangements remain in place. As Australia’s specialist financial intelligence unit, AUSTRAC of course plays an integral role in identifying, dismantling and disrupting criminal activity and, through the collection and analysis of financial transaction reports, AUSTRAC is able to provide assistance of a most profoundly important sort to law enforcement and national security agencies in the identification and investigation of criminal and terrorist enterprises.

The scale of reporting, I think, is not widely understood. AUSTRAC presently receives around 69,000 reports in relation to suspicious transactions and other transactions every day. So the passage of this bill will ensure that the intelligence gathering role of AUSTRAC is not hindered during the transitional reporting period and that the government, with the assistance of AUSTRAC, can continue to confront money laundering and terrorism financing. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr DEBUS (Macquarie—Minister for Home Affairs) (1.29 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE THRESHOLDS) BILL (No. 2) 2008

Second Reading

Debate resumed from 25 September, on motion by Ms Roxon:

That this bill be now read a second time.

Mr NEUMANN (Blair) (1.30 pm)—I am standing here a little earlier than I thought I would be, but I am pleased to be able to speak on this piece of legislation, the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. I rise
to speak in support of the bill. The Medicare levy surcharge is a one per cent increase on top of the Medicare levy for individuals and families who do not have private hospital cover. The threshold is currently set at $50,000 for individuals and $100,000 for couples and families. This piece of legislation will increase the threshold to $75,000 for individuals and $150,000 for couples and families, and it will index these thresholds against wages growth in the future. I fully support this piece of legislation.

Originally, the previous, coalition government brought in the Medicare levy surcharge situation and it was supposed to be geared towards high-income earners, but in fact, as wages grew, more and more people became trapped and had to pay this particular tax in circumstances where they never actually anticipated they would have to. The member for Dickson, now a shadow minister, was then the Assistant Treasurer. In August 2006, he was asked a question on notice. He revealed that, in 1997, 167,000 people paid the surcharge; by 2001, 198,000 people paid it; by 2002, 235,000 people paid the tax; by 2003, 282,000 people paid the tax; by 2004, 362,000 paid the tax; and by 2005-06 it had risen to 465,000 people paying the tax. This is quite outrageous.

Effectively what had happened was that a tax trap had been set by the previous, coalition government which caught more and more working families, as the minister for health described it. The figures I have just outlined she described in her second reading speech on 25 September 2008, and I think it is worth the Australian public actually knowing these facts when we consider this bill. So the previous, coalition, government set this tax trap which caught more and more Australians to the point where nearly half a million Australians were trapped by this tax.

So what did we do? We said in the budget that we would raise the threshold to $100,000 for individuals and $150,000 for couples and families. We set about effectively giving the Australian public some tax relief. What did the coalition do? They opposed it on spurious grounds. I think that what has happened is they have listened, but they have listened to the wrong people. They have not listened to the working families in this country; they have listened to the big private health insurers. We want to give tax relief to Australian families and individuals—we want to do that—but we cannot get it through the Senate on the basis of what we previously announced. We have talked to the private sector, we have talked to those sitting on the crossbench just across the corridor, we have talked to other stakeholders and we have come up with an alternative. Instead of lifting the threshold for individuals to $100,000, we are now proposing to increase it to $75,000 while retaining the couples threshold of $150,000 which we proposed in the budget. We have listened carefully and we want to help.

The measure that we are trying to bring through this House today will give immediate tax relief to about 330,000 Australians, and that is a lot of people. Put it in the context of those people—465,000 Australians—paying this tax in 2005-06. For an average income earner, earning about $60,000 a year, this will deliver about $1,200 in their pocket in the first year. For those people who live in
my constituency of Blair in Queensland, that is a lot of money. I think the average taxpayer and the average person living in my electorate would think that $1,200 is a lot of cash. If they had that money in their pocket, it would be a bit easier when they went to the supermarket, it would be a bit easier when they had to buy schoolbooks for their kids, when they had the choice of being able to afford to buy either shoes for soccer or uniforms for kids at school, or to take the kids to the movies, or just to buy some luxuries that high-income earners can afford. One thousand two hundred dollars is a lot of money, and if they had that in their pocket they could do a lot with it. It really is incumbent upon those sitting opposite to pass this legislation, not to oppose it here and not to oppose it where the red carpet exists. We want to give real choice to families and we want to put money back in their pockets. We do not want to force them into an alternative which they cannot afford to pay.

If the coalition had indexed this, like they should have, you would be looking at something like $76,000 for individuals and $152,000 for families. That is what the Australian Private Hospitals Association says. Access Economics, in a report for the AMA, and the minister in her second reading speech said a similar thing: a $70,000 threshold for an individual and a $140,000 threshold for a couple. Access Economics said, and the minister reported, that this would restore the system to its previous real levels if this were the goal.

I wonder what the goal of the previous coalition government was and what their goal is now. We have suggested $100,000 for individuals and $150,000 for couples, and they will not cop it. They will not allow tax relief to the Australian public. So we put up $75,000, and we are hoping that they will do the right thing. I am not confident, because it is not always in their DNA to do the right thing when it comes to helping working families in this country. You only need to look at the Work Choices legislation of the last parliament to see what they really think about working families.

Fifty thousand dollars is not a high salary. That is the current level for an individual. As Australian Liberal Senator Simon Birmingham conceded, it is not a high salary. He said it is a working salary. And it really is. If you earn $50,000, you are not rich—you struggle to pay your mortgage and you struggle to pay your education expenses for your kids. It is hard to put food on the table for your family and for yourself. For anyone, it is hard to meet the costs of living. Those opposite should do the right thing by those on low incomes. It is important to provide relief for the Australian public in this regard.

We support the idea of the public and private sectors being involved in the health needs of our community. In my electorate we have some good public hospitals. We also have a great private hospital in Ipswich, St Andrew’s Hospital, not far from where I live. We have got a terrific public hospital, Ipswich general hospital. I had the great privilege for many years to serve on the local community health council. It was a great privilege to go to the rural hospitals in my electorate, places like Boonah and Laidley and others, to see the care that nurses and doctors and those allied health professionals provide.

The public use both public and private sectors when it comes to their health needs. What we are doing here is about getting rid of an unfair tax on average, battling Australian households. The income threshold for the Medicare levy surcharge has not changed since 1997. That is 11 years ago, and it is high time it was changed. When it was first brought in, the then Minister for Health and Family Services, Michael Wooldridge, said:
High income earners will be asked to pay a Medicare levy surcharge if they do not have private health insurance. These are the people who can afford to purchase health insurance …

I really wonder about those opposite. In the last 11 years, have they gone to the supermarket, have they bought a car, or have they bought a house or paid rent for premises? The cost of living has increased enormously during that time. We have seen, correspondingly, salaries go up during that time as well.

They come up with a number of arguments which I think are quite fallacious when it comes to this particular legislation. They claim it is going to put too much of a burden on our public hospital system. Let me tell you: we have put in $1 billion extra to help states and territories with respect to the public health and hospital system in this country and $600 million for elective surgery. That is in great contrast to those opposite. Those opposite failed when it came to this area.

On 5 October last year the Australian Institute of Health and Welfare released a report which exposed that from 1995-96 to 2005-06 the former coalition government share of public hospital funding decreased from 45.2 per cent to 41.4 per cent. Those state and territory governments that they much maligned took up the slack. They increased their funding over the same period from 45.8 per cent to 50.6 per cent. Even the former Minister for Health and Ageing, the member for Warringah, had to concede that. It took a bit of oral surgery to get it out of him, but he had to concede that that was what had happened. Those opposite failed. It is a bit rich for them to give us lectures when it comes to the public health system in this country. It is quite extraordinary they go to that extent.

You have to ask why they are complaining about this legislation. If they had such a great commitment to the public health system of this country, why didn’t they put more money into it? Why didn’t they put in the extra billion dollars that we put in? Why didn’t they put in the $600 million that we put in for elective surgery? I can tell you why: because when it comes to so many things of a public nature—whether it is public education, public health and the like, or even Medicare—they do not really believe in it. They say they do, but they do not. They defund it if they get a chance. If they ever come back to sit on these benches, we will see the same. It is the same thing with education.

It is about time they did the right thing. It is about time they listened to the Australian taxpayer who wants a break. It is about time they put up or shut up and it is about time they showed some degree of commitment to helping those they claim they are helping, those they should have helped for so long. It is time they actually delivered and stopped thinking that we are living in a mid-1970s time warp where they can obstruct our legislative agenda and try to cut back the surplus. I really wonder if they think it is 1974-75. We have moved beyond that. It is more than 30 years since that time. It is about time they stopped obstructing our legislative agenda, which the people of this country voted for last year. Let it go through. Let the government govern. Give the Australian taxpayers a break when it comes to this particular piece of legislation. It is time they did the right thing by the Australian taxpayer. I commend the bill to the House.

Mr DUTTON (Dickson) (1.44 pm)—It is my pleasure to contribute to what is a very important debate about the future of health services in this country and about how the federal government is going to contribute to the private health sector and to the public health sector, with the overall aim, we hope, of improving the system generally for all
Australians. The first point that needs to be made in the debate on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008 is about the origin of this policy that is being proposed by the Rudd Labor government. Many people will recall a debate about health in the run-up to the November election last year. They will recall certain promises and obligations that were undertaken by the then opposition, now government, in relation to health. They will remember a number of promises that were made, in marginal seats in particular, in relation to so-called superclinics. They will recall a number of other funding arrangements that were promised by the Labor Party. But what the Australian public will not remember is a promise or any utterance in relation to the particular policy which is being advanced by this ideologically driven government at the moment.

Despite the fact that the Labor Party had this policy worked out and despite the fact that they had the detail of this particular policy at the time of the last election, in the run-up to the last election the now Minister for Health and Ageing, then shadow health minister, stated that they would not be releasing details of this policy during the election campaign. Many opposite have heralded this policy as a way in which they can cut taxes for Australian families or for older Australians and a way in which they can provide support to the health system generally around the country. It is certainly a disgraceful period in this country’s history when you see our health systems run down. To see a further attack in the form of this bill shows exactly what this Labor government is about. This is not about delivering a tax cut and it is not about increasing thresholds to provide better outcomes for families. It is about attacking the private health system.

If the Rudd government wants to provide tax relief to Australian families then it should put forward a bill to do so. If it wants to make sure that Australian families pay less tax then it should do that through the tax system. If this government wants to provide tax cuts to middle-class Australians and to lower income Australians then it should put such a bill forward—we would vote for it—the same as we did when we were in government, reducing taxes right across every threshold in this country. We will support good legislation which provides tax cuts to Australians that are adequately funded, properly funded and well thought out.

This is not a policy about providing tax cuts. This is a policy which will force millions of Australians in the long term onto queues in public hospitals. It will force potentially hundreds of thousands of people, or on some estimates up to a million Australians, out of private health. It will ultimately make the private health system in this country unviable. It will drive up premiums for
people who remain in the private health sector. That is why this is bad legislation. That is why the coalition is opposed to it. It is why Independent senators and Senator Fielding have also questioned this legislation. It is ultimately why many advocacy groups and many people who are concerned about the long-term viability of the health system in this country have come out in opposition to this policy.

When we look at some of the estimates that are made, we find they are quite disturbing. Access Economics and PwC show that anywhere up to one million people will leave private health insurance if the government achieve their ultimate goal in relation to this policy. They are a government which is intent on attacking private health because they do not believe in private health. Despite all of the rhetoric and all of what they say to the contrary, the proof is in what they present to the parliament in the form of this bill. If it was such a good bill and if it was such sound policy, why not introduce it to the Australian people in the run-up to the last election? The reason is that most Australians would have seen through this policy very, very quickly.

This policy in its original form has already been rejected by the Senate. The government have made amendments to the bill to reintroduce it to this chamber for further discussion and, they hope, to pass it through the other place as well. But they need to answer the fundamental questions about why it is right to drive people out of private health, in particular younger people, which will have a dramatic impact on the rising cost of premiums, particularly for older Australians.

Many people, particularly older Australians or those who want private health insurance for a young family or because they are infirm, regardless of their age, decide to take out private health insurance because it provides them with a blanket of security. Particularly at a time of life when they may be approaching further health difficulties, they want the support of private health cover. By driving out, in particular, younger people—who predominantly do not claim on private health—who are in that insurance pool, this bill will dramatically increase the premiums for those who remain, who are predominantly older Australians. That is bad policy, it is a bad outcome for all Australians and it is why it would ultimately be a bad outcome for health in this country. It makes no sense at all to drive people out of private health and onto public hospital queues that are already stretched to breaking point across every state and territory in this country.

I will give you one example of health management. In Queensland at the moment the Bligh government—with a decision that was originally formulated, as I understand it, by the Beattie government—has decided to close the Royal Children’s Hospital in Brisbane. Now, that is an appalling outcome for families on the north side of Brisbane. It is an appalling outcome because it will mean that people who have to travel long distances with sick children will not have the same services that they currently enjoy. From all of the professional advice that I have received, I can say that it would result, long term, in a bad outcome if there were an epidemic and we were trying to provide all those services needed by young children who are most sick. I think it underscores the fact that Labor is a side of politics which does not have the capacity to introduce, maintain and implement a good health policy. If we get the same style of management of the health system at a federal level that we have had from Labor at a state level over the last 10 years then pity help the health system in this country over the next decade or more.

When the then Western Australian health minister gave evidence in relation to this
particular bill, when it was scrutinised by a Senate committee, he advised that the extra burden on the health system from driving people out of private health—and putting more procedures onto waiting lists in public hospitals around the country—would cost Western Australian taxpayers $50 million in one year. No doubt there has been some cosy deal stitched up between the federal Labor health minister, the state Labor health ministers and the territory Labor health ministers as to how the states are going to be compensated for these extra procedures in state hospitals. If that figure is multiplied out round the country then this will not be a bill that saves the government any money at all; it will be a bill that delivers worse health outcomes for people who are queuing on waiting lists at the moment in public hospitals, it will drive up the price of private health insurance for those who remain in private health and it will have a bad outcome in the long run as well because it will be more costly to the taxpayer at a federal level.

For all of those reasons it does not make any sense. If the Labor Party have a hidden agenda they should come out and talk about it. That is certainly what a lot of commentators are saying. A lot of people believe that this is a government hell-bent on implementing policy thought bubbles, not one that thinks through policy decisions. They are going out there trying to get media headlines but not thinking through the ramifications of the announcements. This is a government which is not yet 12 months old but already notorious for having these thought bubbles, for referring matters off to committees, for not being decisive and for not having the capacity to lead our nation in the way in which it deserves to be led. This is a trying time for our economy, it is a trying time right across the world, and the Australian people want the economy properly managed in this country so that ultimately we can provide more support to areas of public policy—in particular, the area of health.

We need to make sure we have a sustainable system into the 21st century. We need to make sure that Australian families, when they want to see their doctor, are able to see their doctor. We want to make sure that we have a health system that if people choose to go into a private health arrangement that takes a burden off the public health system then that it should be encouraged, not discouraged. This should be a public health system where, if people want to have arrangements that will allow them to age in their homes or to have access to world-class facilities as they age in our society, then they should have unfettered access to those services.

This is a bad bill because it does not achieve any of those principal aims. It will not save money, as the government predicts—they talk about it being a tax cut but this will ultimately, on the government’s estimates, be a savings measure—and if they want to implement some sort of tax reform or some sort of positive tax outcome for Australian families and older Australians they should do it through the tax system. That is a point that needs to be made.

I only have a few minutes remaining before we go into question time, and I intend to continue to contribute to this debate when it is reconvened, but I want to make it very clear to the House that the coalition remain committed not just to the public health system in this country but also to private health. We want to make sure that we have a sustainable system. We want to make sure that people recognise that under the coalition government, when we came in in 1997 the private health participation levels were quite low—they were at 33.9 per cent. They increased to 44.7 per cent. That was as a result of three definite pillars of good public pol-
icy: firstly, the 30 per cent rebate for 65-year-olds and younger, the 35 per cent rebate for 60- to 70-year-olds and the 40 per cent rebate for over-70-year-olds; secondly, Life-time Health Cover; and, thirdly, the Medi-care levy surcharge.

If this is a government that is hell-bent on destroying the private health industry in this country and forcing hundreds of thousands of procedures onto public hospital waiting lists then they are going the right way about it. But if they want to work together to make sure that we have a system which will cater for our ageing population and to make sure that we can restore confidence in the public health systems around the country then they should be coming to a sensible compromise. They should not be suggesting that this bill is about a tax cut when it is about anything but. This bill, make no mistake, is about an attack on the private health insurance industry. It is about an attack from an ideological basis, which in the 21st century is unjustifiable. The Labor government need to be honest with working Australians—or ‘working families’, as they like to put it—and they need to be honest with older Australians who are going to suffer as a result of this policy. They need to recognise that this will ultimately be quite damaging to those people.

This government needs to be decisive in its actions, because at the moment it is not decisive in any area. This is a government which is hell-bent on referring matters to committees. They have not thought through this policy properly. They certainly do not understand the ramifications. Many right around the country are describing what the effect would be of driving a million people out of private health into the public health system: hundreds of thousands will be driven onto hospital waiting lists. It is bad policy. It is not well thought through. It is a policy which Labor knew about prior to the last election but which they did not disclose to the Australia people because they knew that the Australian public would see right through this policy straightaway.

The call today is on the health minister to be honest with the Australian people about the costings and about why it was that in the first place she did not support this policy—this was an invention of the Treasury, not Health—and she needs to explain to the public why she is out there supporting a policy which is going to provide worse health outcomes than even the state governments are able to provide. It is pretty important to recognise as part of this debate that this federal Labor government is conducting itself in exactly the same way as the state Labor governments manage their health systems—and that is a bad outcome.

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

CONDOLENCES
Mr Stephen Edward (Sam) Calder
Dr Glenister (Glen) Fermoy Sheil

The SPEAKER (2.00 pm)—I inform the House of the deaths of Mr Stephen Edward (Sam) Calder, a former member of this House, and Dr Glenister (Glen) Fermoy Sheil, a former senator. Sam Calder died on 30 September 2008. He represented the division of Northern Territory from 1966 to 1980. Glen Sheil died on 29 September 2008. He represented the state of Queensland from 1974 to 1981 and 1984 to 1990. As a mark of respect to the memory of the deceased I invite honourable members to rise in their places.

Honourable members having stood in their places—

The SPEAKER—I thank the House.
Mr RUDD (Griffith—Prime Minister) (2.01 pm)—Mr Speaker, I seek to make a statement on indulgence.

The SPEAKER—Indulgence is granted.

Mr RUDD—Yesterday was the sixth anniversary of the terrible day when 88 Australians lost their lives in Bali. The date of 12 October is now forever marked with sadness in Australia—sadness for the 88 Australians who lost their lives, sadness for the many more who were injured in the bombing, sadness for the 38 Indonesians and the 76 people from other countries who were killed in that awful attack. For those who lost loved ones, life will never be the same. We think of the families and the friends of the victims from that terrible night. Our thoughts and our sympathies will always be with them. For those who lived through the bombing, the painful memories are remembered by so many, many people today. Those painful memories remain. Remember those who in the Australian tradition thought not of themselves but of their friends in the aftermath and did what they could to help the injured.

We also remember those who contributed so much in the aftermath of the tragedy in a very practical way: the doctors, the health professionals, the police, the government officials and the local residents of Bali itself. Six years on, Australia can be proud of how we responded to that terrible night—that terrible event. We showed the courage, strength, compassion and friendship for which we as a people are known. Six years on, we continue to be grateful to the government of Indonesia for its support and hard work in the aftermath of the bombing. The perpetrators have been brought to justice. Through this tragedy our two nations have been brought closer together. Both of us suffered and we are both committed to remembering those who died. We are both committed to preventing acts of terror taking innocent lives. Every effort of our two governments has been directed towards that end. On behalf of the government and, I am sure, on behalf of all members here in the House today, I say that our thoughts and our prayers are with all those who remember and commemorate the 12 October bombings.

Mr TURNBULL (Wentworth—Leader of the Opposition) (2.03 pm)—Mr Speaker, on indulgence: on behalf of the opposition I join with the Prime Minister in remembering the sixth anniversary of the Bali bombings, a tragic day when 88 Australians lost their lives and all Australians lost their innocence in the face of the war against terror. It was brought home to us as harshly and as really as if it had happened in the middle of an Australian city. These Australians were there enjoying their freedom. They were there living life to the full, as so many Australians had done before that day and have done since then. The terrorists who killed them—those murderers who took away their lives, the lives of the people from Bali and the lives of other nationals—were mounting an assault not just on the individuals but on the freedom for which they and all of us stand. It is right that we never forget that day. We always honour the memory of those who died, because the war that is being waged against us by these terrorists is a war that is waged against our freedom. We do well to remember that they seek to take that from us just as they took the lives from the Australians in Bali on that terrible day.

Of the 88 Australians who lost their lives, 20 of them were from the eastern suburbs of Sydney—from Coogee, from Maroubra, from Malabar and from Matraville. I see the member for Kingsford Smith nodding his head. Both of us have constituents who suffered and died and constituents who continue to mourn the deaths on that day. Let us never forget that day, and let us never forget that
the freedom they were exercising is the freedom we must always fight for in Australia’s name.

MAIN COMMITTEE
Bali Bombings Anniversary
Reference

Mr ALBANESE (Grayndler—Leader of the House) (2.06 pm)—by leave—I move:

That further statements by indulgence on the sixth anniversary of the Bali bombings be referred to the Main Committee.

Question agreed to.

PRIVATE DAVID FISHER

Mr RUDD (Griffith—Prime Minister) (2.06 pm)—Mr Speaker, I seek your permission to make a further statement on indulgence.

The SPEAKER—Indulgence is granted.

Mr RUDD—I have sought the indulgence of the House to make a statement regarding the return to Australia of the remains of an Australian soldier killed in the Vietnam War: Private David Fisher. Private David Fisher was a member of the Special Air Service Regiment in Vietnam. On 27 September 1969 he fell from a rope suspended beneath an RAAF helicopter during an extraction at Nui May Tao in Vietnam. Private Fisher fell into thick jungle and, despite extensive searches, his remains were never recovered. Thirty-nine years after that day, Private Fisher’s remains have now been recovered and are finally being laid to rest with honour and with the dignity befitting a fallen Australian soldier.

I commend to the House the dedicated and selfless work of all Australians who kept alive the hope of recovering Private Fisher, in particular the tireless efforts of Jim Bourke and Operation Aussies Home. Private Fisher’s return follows the recovery of the remains of three other Australian soldiers from the Vietnam War: Lance Corporal Richard Parker, Private Peter Gillson and Lance Corporal John Gillespie. Two Australian airmen—Flying Officer Michael Herbert and Pilot Officer Robert Carver—are still missing in Vietnam, and we hope that in time we may also find the remains of these missing airmen, these brave sons of Australia.

These searches have been the result of great cooperation between the governments of Australia and Vietnam, and I record the gratitude of the Australian government to the government of Vietnam for their assistance during the search for and recovery of our missing diggers. I conveyed that gratitude to the Prime Minister of Vietnam in our discussions here in Canberra this morning. Private Fisher lost his life serving his country. The passage of time does not diminish our great respect for his bravery and his dedication, and his sacrifice will not be forgotten. On behalf of the government and the House, I would like to offer my sincere condolences to the family of Private Fisher. I hope that his homecoming will bring some measure of comfort to those who have waited so long for his return to Australia.

Mr TURNBULL (Wentworth—Leader of the Opposition) (2.09 pm)—Mr Speaker, on indulgence: on behalf of the opposition I associate this side of the House with the moving comments made by the Prime Minister about the death, the heroism and the return of Private Fisher. His story is a terrible and a beautiful one. He was in a terrible war, fighting in the jungle on September 27, 1969, a member of the SAS. Confronted by an enemy force 30 strong, his patrol leader called in helicopters. An RAAF helicopter dropped ropes down for the soldiers to hang onto in a hot extraction under enemy fire. Imagine their relief as the helicopters took off. And imagine Private Fisher’s feelings—imagine the terror; imagine the horror—as he fell back into the dense jungle. It was a terrible war, a terrible time. He was a heroic soldier,
fighting in Australia’s name, putting his life on the line—as so many soldiers had done before and so many are doing today. And yet this is such a beautiful story, thanks to the dedication of so many other Australians—in particular, Jim Bourke of Operation Aussies Home—who kept up the hope that the remains of this brave soldier and others like him could be returned to their homeland. It has been a great triumph of perseverance, of patriotism and of commitment. We join with the Prime Minister in thanking all those responsible for bringing Private Fisher home, in thanking again Private Fisher for his heroism and, above all, in extending our condolences to Private Fisher’s family.

**MAIN COMMITTEE**

**Private David Fisher**

**Reference**

Mr ALBANESE (Grayndler—Leader of the House) (2.11 pm)—by leave—I move:

That further statements by indulgence on the return to Australia of the remains of Private David Fisher be referred to the Main Committee.

Question agreed to.

**MINISTERIAL ARRANGEMENTS**

Mr RUDD (Griffith—Prime Minister) (2.11 pm)—I inform the House the Treasurer will be absent from question time today as he is attending the annual meetings of the International Monetary Fund and the World Bank in Washington. The Minister for Finance and Deregulation will answer questions on the Treasurer’s behalf.

**QUESTIONS WITHOUT NOTICE**

**Economy**

Mr TURNBULL (2.12 pm)—My question is addressed to the Prime Minister. I refer to yesterday’s announcement of measures by the Prime Minister to which the opposition immediately offered bipartisan support, and in particular to the proposal that the Commonwealth would offer guarantees to banks in respect of certain of their wholesale funding obligations. How does the government propose to ensure that these guarantees do not result in bank losses being borne by the taxpayer?

Mr RUDD—The global financial crisis is affecting the stability of the global financial system and is affecting the real economy worldwide. Australia, as a result, is being affected as well—and that goes to the cost of finance on international markets, it goes to the prospective growth in our economy and it goes to employment as well. The challenge we all face at present is how to maintain the stability of the global financial system. National actions in this respect are important, but what is even more important is coordinated international action. The actions which the government announced yesterday are consistent with international proposals which have been advanced most recently in bodies around the world, including the G7, the IMF and the G20.

The measures taken in Australia are designed to do two things. One is to ensure that we maintain confidence in Australia’s banking institutions, confidence which has been underpinned since this crisis began by repeated reports from the Australian Prudential Regulation Authority. But when it comes to the concerns of deposit holders, which have been heightened by the events which they have seen unfold around the world, it is important to deal with those concerns as they are presented to us. On the question of the impact of the government’s guarantee of term funding arrangements by Australian banks around the world, the reason for that measure is to ensure that our banks are not discriminated against as they face other banks in international credit markets which are the beneficiaries of sovereign guarantees. That is the basis for the Australian government’s action on that measure yesterday.
The honourable member asks the impact which the measure has in relation to the Australian taxpayer. First and foremost, our responsibility is to guarantee the stability of the financial system as that affects all taxpayers, all householders, over an extremely long period of time. But, secondly, in terms of ensuring that this is not simply an act which benefits the banks but one for which there is an appropriate return to the taxpayer, as I indicated yesterday in my remarks when announcing these measures, the Australian government will also be attaching an insurance premium to the measures extended to the commercial banks. The details of that insurance premium will be settled between the Treasury and the economic regulators and the institutions concerned. We believe that is a right and appropriate measure. But the challenge for the future, and the challenge for all of us in this place, is to act responsibly and to speak responsibly in order to maintain the continued stability of this financial system. This is not just something which affects the banks themselves. The stability of the banks in our local communities is of direct relevance to the interests of households, and that is why the government acted decisively yesterday.

**DISTINGUISHED VISITORS**

The SPEAKER (2.15 pm)—I inform the House that we have in the gallery today the Sri Lankan Minister for Foreign Affairs, Rohitha Bogollagama. On behalf of the House, I convey to him a very warm welcome.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Economy**

Mr PERRETT (2.16 pm)—My question is to the Prime Minister. Will the Prime Minister outline recent developments in the global financial crisis and the government’s response?

Mr RUDD—The question asked by the honourable member provides me with the opportunity to inform the House of developments overnight, particularly in relation to an emergency summit of leaders in the 15-member euro zone presided over by the President of France, President Sarkosy. This goes of course to integrated measures on the part of the Europeans in response to the global financial crisis. At that meeting European leaders agreed to guarantee, for an interim period and on appropriate commercial terms, new debt issued by banks. President Sarkosy said:

Banks need to be loaned money. So that this confidence is restored, states will have the possibility to guarantee the loans that banks take out, guarantee them under different forms.

That reflects President Sarkosy’s position, reflecting in turn the combined position of the euro zone economies meeting in Paris overnight, Australian time. The German Chancellor, Angela Merkel, said that these measures:

… will allow markets to start functioning again, that was our aim. It is a strong message to the markets.

The House will be aware that the Australian government yesterday made a similar move. Our package includes a guarantee for term wholesale funding which formed the basis in part of my answer to the previous question, from the Leader of the Opposition. But the core rationale, apart from overall efforts to stabilise the global financial system, was this: to ensure that Australian banks were not going to be penalised in global credit markets as a consequence of the sovereign guarantees being provided by other governments, nationally, to their banks.

A critical challenge that we were presented with is this. Around the world there were a number of banks whose balance sheets were actually in very bad shape. As a consequence, governments in those countries...
acted in order to improve their reputational standing in global credit markets, and they did that by extending sovereign guarantees to the loan raising which those banks were engaged in. The problem that presented our banks was as follows. Despite the fact that our major banks had no problems on their balance sheets, despite the fact that they were registering strong profits and despite the fact that our regulatory authorities properly and entirely appropriately underpinned their continued strong position, the fact that sovereign guarantees were extended by foreign governments to their banks, often in bad credit state, meant that prospectively we faced a problem where Australian banks would be discriminated against in the global financial market. The direct consequence of all that is the flow-through in the availability of commercial credit to the general credit activities of Australian banks within the domestic market, not just in the mortgage sector but crucially also in the business sector, in the commercial sector of the Australian economy. The attitude that I took as Prime Minister was that I was not prepared to stand idly by and allow that to happen because the roll-through consequences of those actions as they affected Australian banks long term would in turn affect households and in turn affect businesses. That is why we acted.

The second set of measures we took yesterday related to the protection of depositors under the financial claims scheme. Our attitude as a government was that the time had come to guarantee all deposits, whatever their size, in the Australian banking institutions for a period of three years—that is, to guarantee deposits, whether they are in banks, whether they are in building societies, whether they are in credit unions, to ensure that individual Australian families, that pensioners, that carers, that small businesses should have absolute confidence in the robustness of these financial institutions. It was the right thing to do. It was the right thing to do also because we saw again around the world various governments, in far, far more difficult situations than we find ourselves in Australia, acting in this regard. And as a consequence again this was potentially going to have an impact on the way in which international credit markets looked at Australian financial institutions. Therefore, it was necessary not just to allay the concerns and anxieties of individual deposit holders but also to ensure, in terms of the reputational status of our banks worldwide, that that factor would be removed from any doubts on the part of global credit-lending institutions. So, again, as Prime Minister of the country the view that I took was that I was not prepared to stand idly by and allow the concerns of households, of working families, of pensioners and of carers about the banks to go unaddressed. That is why we acted.

A third measure which the government announced yesterday goes to the availability of funding for non-authorised deposit-taking institutions. Further to the Treasurer’s announcement in September, the government has decided to direct the Australian Office of Financial Management to purchase an additional $4 billion in residential mortgage backed securities. The government has been monitoring the market closely and has determined that an additional $4 billion in funding is required for the purchase of residential mortgage backed securities from non-ADI lenders, those being lenders who are not banks, building societies or credit unions. This will be done by the Australian Office of Financial Management. This will benefit Australia’s mortgage market and ensure that this sector of the lending market has access to funding for their future operations.

The reality is that the global financial crisis in recent days has entered into a new and dangerous phase, with real impacts for growth and real impacts for jobs both in Aus-
tralia and abroad. Therefore, the government have taken the view that the surplus that we spend a lot of time and a lot of effort putting aside in the May budget, putting aside for tough times, is there to be used to deal with these tough times. The purpose of the surplus is to deal with the tough times ahead and my message to the nation today is that those tough times have arrived. Therefore, the government remain determined to deploy that surplus intelligently to deal with the long-term support of positive economic growth in Australia and to deal with the necessary supports for households.

We are well positioned to weather this crisis. We have taken the necessary steps yesterday to assist in continuing to stabilise the Australian financial system and to ensure that that stability which we already have will be maintained into the future, given what is happening in the global marketplace. But beyond that, this global financial crisis and the entering into of this new and dangerous stage and its impact in the real economy around the world on growth and jobs will have an impact in Australia. We are glad on this side of the House that we took the measures necessary to set aside a surplus for the period ahead—a significant surplus, a surplus which is designed to deal with tough times. Those tough times have come and we are well prepared to act in anticipation of them.

Economy

Mr TURNBULL (2.23 pm)—My question is addressed to the Prime Minister. I refer the Prime Minister to my previous question and ask him: in respect of the wholesale term funding guarantees, what, if any, additional prudential supervision does the government propose to impose on banks as a condition of receiving the benefit of the guarantee?

Mr RUDD—The Secretary of the Treasury has advised me that, based on his consultations with the financial regulators, this guarantee will be extended to Australian lending institutions as they seek to raise capital in international credit markets. Furthermore, he has indicated to me that the precise insurance premiums to be attached to each of them will be negotiated separately with those institutions and in doing so will be mindful of their general circumstances as far as their previous lending arrangements internationally. This is a prudent and proper approach to be taken. It is right that we take this action to stabilise the financial system for the future. These institutions have fine, first-class balance sheets as of today; they have fine, first-class balance sheets as indicated by the Australian prudential regulators; and, for the future, this measure has been necessary to ensure their future lines of credit from international credit markets. We believe this is an entirely appropriate course of action.

Economy

Ms KING (2.25 pm)—My question is to the Minister for Finance and Deregulation. What action is the government taking to ensure our banking institutions secure competitive access to international credit markets and how will this help support our economy in these difficult global times?

Mr TANNER—I thank the member for Ballarat for her question. Yesterday the Prime Minister announced that the government would guarantee upon application term wholesale funding by Australian banks. This step will ensure that our banking institutions have the best possible access to global capital markets. We are all aware that developments in global financial markets over the past year or so have increased the difficulty for financial institutions to raise funds in those markets. There is no suggestion that the measure that the government has taken is
in any way reflecting circumstances in Aus-
tralia; it is a reflection of increasing difficul-
ties in international markets that our banks
and financial institutions face. In particular,
it is a reflection of the fact that a number of
other key governments around the world
have taken steps of a similar nature that
change the relative attractiveness of major
financial institutions internationally for lend-
ing and therefore if we were not to take an
initiative of this kind with respect to Aus-
bralian financial institutions, notwithstanding
that they are very strong, well capitalised and
well regulated, it would place them at a sig-
nificant disadvantage relative to other finan-
cial institutions competing for the same
funding in global markets. We have seen in
recent times the significance of this through
increases in the price of borrowings for our
financial institutions internationally flowing
through to increases in market interest rates
and therefore were the government not to
take an initiative of this kind there is a seri-
ous concern that we would see that occur
even further.

These measures are designed to ensure
that Australian banks can continue to do their
job. The banks will be charged a fee, negoti-
ated specifically with them according to their
circumstances, for access to this guarantee.
The measures are critical to the Australian
economy and to protecting Australia’s econ-
omy from the worst implications of the
global financial crisis.

It is also important to note that there are
significant institutions in our economy that
engage in lending money, particularly for
mortgages, who will not have access to these
guarantees because they are not approved
deposit-taking institutions. But they are sig-
nificant players in the market. In particular,
their activities are very important for sustain-
ing competition in the mortgage market. In
order to ensure that the playing field remains
even and that competition remains strong,
the government has also decided to make
available up to $4 billion through the Austra-
lian Office of Financial Management to these
institutions for borrowing for high-quality
mortgage purposes for on-lending for high-
quality mortgages.

As the Prime Minister has indicated, the
government is also determined to provide a
general guarantee for all bank deposits—all
deposits in approved deposit-taking institu-
tions—for a period of three years on top of
the proposed legislation that is in the process
of being pursued by the government to guar-
antee all deposits up to $20,000. Again, this
initiative was taken by the government in
response to similar initiatives occurring in-
ternationally. The key point about all this is
that we are not immune from the implica-
tions of the international financial crisis. We
have moved into a new and dangerous phase
of this crisis. It is already impacting on jobs
and growth in Australia and we can expect it
to impact further.

Equally, the regulatory initiatives under-
taken by governments overseas, by central
banks overseas and by regulators overseas
change the global environment in ways that
Australia is affected by. We have already
seen this with respect to the rules regarding
short selling in the Australian stock market
being changed in response to decisions being
taken overseas, and similar logic applies in
this case. Australia’s banks and financial in-
stitutions generally are well capitalised. They
are strong, they are responsibly run, they are
well regulated and they will remain so. It is
very important to ensure that they are not
disadvantaged and that Australian house-
holders, homebuyers, workers and people
generally are not disadvantaged economi-
cally by them being in a second-tier position
relative to other banks, including significant
banks that are much less robust than they are,
in international capital markets. That is why
the government have announced these initia-
tives, and we believe they will be very important in ensuring that we minimise the inevitable impacts of this new and dangerous phase of the global credit crisis.

**Economy**

Mr Turnbull (2.30 pm)—My question is addressed to the Prime Minister. Given that, in other countries, guarantees of the kind just discussed have, on occasion, had the consequence of encouraging risky behaviour by banks, such as offering uncommercially high interest rates to attract depositors or making risky but high-yielding loans to boost income, what steps will the government take to ensure that these guarantees do not result in risky behaviour of that kind, thereby putting the Commonwealth guarantee at greater risk?

Mr Rudd—The first point is that it is necessary to ensure the future stability of the financial system. In particular, it is necessary to ensure that our banks remain capable into the future of raising commercial loans on the international credit market. That is the first responsibility. As I indicated in my answer to an earlier question, it has been important for us to take that action now, in particular when there was a danger of our institutions being seen in a different light to those of other institutions because of sovereign guarantees provided elsewhere. Secondly, as I have indicated in my answer to the honourable gentleman’s question, each of these institutions will be charged a fee. The fee will ensure that taxpayers receive appropriate compensation for providing the guarantee and that financial institutions pay a price for the benefit of the guarantee. Furthermore, the fee will also ensure that the facility is no longer utilised when market conditions normalise, as was reflected in my statement yesterday. This will help to support the future recovery and the operation of financial markets independent of government support. In other words, the construction of the fee will be done in a manner which encourages not just responsible behaviour of financial institutions in the international credit market but also the non-use of that instrument in the future once credit conditions normalise. The precise detail of the fee and its arrangements will be tailored accordingly.

**Small Business**

Mr Zappia (2.32 pm)—My question is to the Minister for Small Business, Independent Contractors and the Service Economy. Will the minister advise the House of the current situation on the availability of finance for small business?

Dr Emerson—I thank the member for Makin for his question and for the great work he does with both the Tea Tree Gully Business Enterprise Centre and the other business enterprise centre in his local area, the Salisbury Business and Export Centre. It is stating the obvious, I guess, to say that the world is in the grip of a serious financial crisis, and it is usually small businesses that are among the first to be affected by a credit squeeze. I had discussions with members of the financial community late last week and the situation as of that time was as follows. They told me that finance is still generally available to small businesses that have credit facilities with major banks. In that respect, at least, it is business as usual for many small businesses.

In respect of finance for expansions such as office upgrades, a few months ago that sort of finance was readily available; it is now more difficult to obtain, though I am advised that, if a very good case is made, the finance is still available. This was the situation before the Prime Minister announced sweeping measures to guarantee bank deposits and to inject more capital into the system. It is therefore to be expected that these initiatives will improve the availability of finance.
to small businesses. While no-one can predict the course of the financial crisis over the coming days and weeks, the government will continue to monitor the situation and keep in touch with both major financiers and small business organisations. We are very proud of the hard work and enterprise of Australia’s 1.9 million small business owners. I urge the major banks to join with Westpac and pass on the maximum possible amount of the recent one percentage point reduction in the Reserve Bank’s cash rate, and I urge the major banks to maintain the flow of finance to small businesses, who, after all, are responsible for providing jobs for almost four million working Australians.

Economy

Mr Turnbull (2.35 pm)—My question is again to the Prime Minister. I refer to the Prime Minister’s answers to my previous questions. Is the Prime Minister then ruling out entirely any additional prudential supervision of institutions receiving the benefit of the wholesale term funding guarantees?

Mr Rudd—First of all, the only institutions which would be eligible for this guarantee in the first place are APRA regulated institutions—first and foremost.

Mr Turnbull interjecting—

Mr Rudd—The honourable gentleman says he knows that. It is not necessarily reflected in his previous questions. Further, when APRA assess the eligibility for each institution for their individual access of this facility, APRA will further assess their circumstances, as you would expect. On top of that, APRA’s wide-ranging powers now, as the honourable member would know, enable APRA to go into the books of any institution at any time to make any assessment about their overall credit worthiness. That is the context within which the specific measures that I referred to before occur. Those specific measures go to the actual construction of the insurance fee or the fee imposed on the institution using this facility for the future. That, in turn, is designed specifically to encourage institutions, once global credit circumstances return to normal, to then return to the normal credit market. Therefore, the framework is this: APRA with enormous powers; APRA regulated institutions only being those capable of using this facility; APRA going through each institution upon application for use of this facility; and then the individual construction of the fee itself applied to each institution being designed and tailored in a way to encourage institutions to return to the normal credit market when the credit market normalises.

I conclude by saying this: this government remains determined to take whatever action is necessary to maintain the stability of the Australian financial system. We do not baulk at any measure. We have indicated our determination to take decisive action when it is necessary. We did that yesterday and we have done so ahead of the international curve.

Employment

Mr Ripoll (2.37 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Given the global economic environment, will the minister detail for the House steps the government is taking to help Australians in their workplace?

Ms Gillard—I thank the member for Oxley for his question. As the Prime Minister has made clear, the global financial crisis is affecting growth and jobs right across the world, and that means it will affect growth and jobs in this country as well. A recession in the United States and a possible recession in Europe will impact on economic growth in this country, and unemployment in Australia
will rise. It is a global crisis, but it has local consequences.

Whilst the International Monetary Fund expects that Australia’s economic prospects will be more resilient than those of other developed countries, both the government and the Reserve Bank expect the growth rate in employment to slow down in the period ahead. The most recent employment figures continued to show low unemployment, with a rate of 4.3 per cent and with 14,000 fewer people unemployed today than in November 2007. But, while this result is good, the government has always been upfront with the Australian people that a combination of slowing global growth and the effects of 10 consecutive interest rate rises under the Liberal government meant that we were likely to see a slowing in employment growth and a rise in the unemployment rate. The figures presented in the May budget indicated that unemployment was predicted to rise to 4¾ per cent by the June quarter 2009. The government does expect a moderate rise in that forecast, and the exact forecast will be finalised and published in MYEFO later this year.

This makes it really important—vitaly important—that the government take a proactive role in these difficult times, and we are well placed to do this. The reason that we brought down a budget with a $22 billion surplus earlier this year was to give us a financial buffer to act for the future. The government is taking specific actions that matter. Our reformed employment services system is designed to better help the unemployed to find work, and last month we announced an additional 15,000 productivity places for reskilling the unemployed. These places come on top of the investment of 50,000 places already made this calendar year as part of an investment of $1.9 billion, and that takes the Rudd Labor government’s total commitment to 645,000 places over five years.

Importantly, too, the government has acted on fairness at work. One of the first acts—indeed, the first bill introduced into this new parliament when it met at the start of this year—was to take Australia through to the government’s Forward with Fairness policies. Specifically, that first act guaranteed that in workplaces around the country there is a safety net at work on which workers can rely—a safety net which cannot be stripped away. In good times and in bad times, Work Choices is bad policy. The sole or central aim of Work Choices was to enable the safety net to be stripped away. The government has already corrected this. Now no Australian worker needs to fear having the safety net stripped away. Work Choices is bad policy. It was bad policy in 2007. It would be particularly bad policy now if it were in operation allowing safety nets to be ripped away. The Rudd government is committed to fairness and to managing the economy in the interests of working Australians and their families.

Banking

Ms JULIE BISHOP (2.42 pm)—My question is to the Prime Minister. I refer to reports that Australia’s big four banks collectively have over $90 billion in exposure to credit default swaps. In exchange for its promise to guarantee term funding, will the government require that these and other exposures be fully disclosed?

Mr RUDD—The state of the balance sheets of all Australia’s major banks is available to the Australian Prudential Regulation Authority. That is already the law. I am surprised, therefore, as to why the honourable member asks this question. Secondly, I already said in response to the question asked by the Leader of the Opposition before that those institutions which are able to access this facility that the government decided upon and announced yesterday are all APRA
prudentially regulated institutions. Furthermore, when applications are received from those institutions to use this facility, then they of course will be separately assessed by the regulators as well.

Can I say this to the opposition at this point, when there has been much talk about bipartisanship: this measure has been recommended to the government by the Australian regulators—the Reserve Bank, the Prudential Regulation Authority and the Treasury. I would suggest that, if those opposite were serious about bipartisanship at a time of global financial crisis, getting behind the regulators would be a good thing to do.

Infrastructure

Mr Trevor (2.44 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. What steps is the government taking to ensure that future infrastructure decisions are made in the national interest? Is the minister aware of any endorsements by major international economic bodies of the government’s approach?

Mr Albanese—The government is indeed committed to rebuilding our nation’s infrastructure as part of securing our long-term economic prosperity. A strong economy is indeed vital to weathering global economic conditions, and the global financial crisis has made action even more urgent. Our approach has been endorsed by key business organisations and economic institutions both within Australia and overseas. The latest to support the Rudd government’s nation-building agenda is the OECD. Released last Friday, its Economic survey of Australia 2008 stated:

The programmed increase in physical and human capital is needed to overcome bottlenecks.

It went on to state:

The recent creation of funds that will channel budget surpluses into financing investment in infrastructure, education and health could play a valuable role in improving the quality of spending, especially since the intention is to select projects on the basis of cost/benefit analysis.

These comments by the OECD follow on from the comments of the IMF just last month, when they said:

Saving some of the revenue from the commodity price boom in three new funds will take pressure off monetary policy in the near term and enable increased infrastructure investment over the medium term.

The OECD, of course, made particular mention of the rigorous cost-benefit analysis that will be undertaken by Infrastructure Australia.

Individual Australian business leaders have also expressed support for the government’s approach. Don Argus, the Chairman of BHP Billiton, has expressed his concern that Australia is more vulnerable because of failure on infrastructure over recent years. Indeed, he said that Australia’s infrastructure capital stock to GDP ratio has fallen by over 10 per cent over the past 12 years. That is the view of Don Argus, Chairman of BHP Billiton, when talking about the importance of infrastructure being able to fulfil the economic capacity of the nation. Infrastructure Australia, in establishing an independent advisory council, will have a critical role in this.

The call for action on infrastructure does not just come from the international community; it does not just come from Australian business leaders. It also comes from Colin Barnett, the Premier of Western Australia, who has said that we do need to accelerate some of the big infrastructure projects. It appears that just about everybody accepts the importance of nation building, particularly at this time of global financial crisis—everybody except for those opposite, and I call upon them to support the Building Australia Fund, to support the government’s na-
tion-building agenda and to get on board, because we do need to address the 12 years of neglect that Don Argus and other business leaders have correctly identified.

**Taxation**

**Ms JULIE BISHOP** (2.48 pm)—My question is to the Prime Minister. Does the Prime Minister agree with the International Monetary Fund’s latest World economic outlook that the best fiscal stimulus is to give tax cuts or cash payments to individuals in preference to increased capital expenditure with its inevitable and often lengthy time lag?

**Mr RUDD**—On the question of tax cuts, as the honourable member would know, the government delivered in full on tax cuts not just for the coming financial year as of 1 July but for subsequent financial years as well—in fact, a $45 billion package of tax cuts. The problem with the opposition’s position on this is that they assume that there is something inherently wrong with nation building.

**Opposition members interjecting**—

**Mr RUDD**—That is the actual inference of the opposition Treasury spokesman’s question; otherwise, why would she ask it and why would those in the Senate be seeking to block the passage of the relevant legislation? It is because, in their heart of hearts, they actually do not believe in nation building. If that is not the case, why is that legislation being blocked in the Senate? I do not understand. If it is not the case then why was the attempt just made by the opposition Treasury spokesman to cast doubt on a nation-building agenda?

**Mr Pyne interjecting**—

**Mr RUDD**—I would suggest on the intervention from the honourable member who sits on the opposition front bench in defence of alcopops that, in a time of serious global financial crisis, unblocking the budget surplus in the Senate is of critical importance. I would suggest to those opposite that the responsible course of action is to ensure that the government has access to surplus funds to deploy for this country and to underpin our long-term economic growth. That is the responsible course of action. What we have on the part of those opposite is a very serious policy posture—namely, how to continue to provide a tax cut for a bunch of booze companies. I would suggest that that actually represents an alternative approach. Can I say to those opposite that the challenge is this: in these times of global economic crisis you are either responsible in putting aside a surplus in the first place and responsible in deploying that in support of long-term economic growth, or you take a short-term populist approach. Our attitude is clear cut. We will take whatever decisive action is necessary for the future of this economy. We will ensure that we will boost economic growth by supporting the national economy by necessary measures and by supporting the household economy as well. That is the right balance for the future, the national economy, the national infrastructure and the household economy as well.

**Medicare Levy Surcharge**

**Ms SAFFIN** (2.51 pm)—My question is to the Minister for Health and Ageing. Will the minister please explain to the House the impact on Australian households of the opposition blocking changes to the Medicare levy surcharge?

**Ms ROXON**—I thank the member for this question. It is particularly timely given the previous question about the sorts of tax relief that might be able to be provided in these difficult circumstances. The Rudd government’s plans to provide immediate tax relief to 330,000 Australians is being blocked by the Liberal Party opposition at a time when the Treasury spokesperson sitting op-
posite says that we should consider providing tax relief to Australians. It is her party that is blocking that relief being provided to 330,000 Australians immediately if the Liberal Party were to change their position. Our government’s decision to increase the thresholds is the first time that these thresholds have been revisited since they were established in that vastly technical way—over a bottle of whiskey with the former minister for health.

Since the government announced these changes, I am sure that many people, both on the other side of the House as well as on our side of the House, have been receiving correspondence from residents. It may be that as health minister I am receiving more of those than most. I thought that this would be a good opportunity to take the House through some of the examples of what working Australians are saying about the Liberal opposition blocking this measure.

Let me take, for example, David from Western Australia, who wrote the following on behalf of his son: ‘My son’s situation is a clear example of why it is grossly unfair to impose the levy on those earning just $50,000. With penalty rates, he earns $52,000 per year, or $750 per week after tax. He has an average mortgage on a three-bedroom home and pays $550 a week. His unavoidable expenses for utilities and car registration are $100 per week, leaving him with $100 per week for food, entertainment, clothing and fuel. If the government is refused the opportunity to amend the threshold, he will also be forced to pay health insurance out of what is left of his $100 a week.’ This is an example of a working person who is being let down by the Leader of the Opposition at a time when they can scarcely afford it.

I will read another example, this one from Mark in the ACT. He clearly articulates why the government has taken this step. He says: ‘I, like many thousands of Australian taxpayers, was forced by the Howard government into a lose-lose situation. The losers are the taxpayers; the only winners are the private health funds.’

This morning there was a glimmer of light—a small sign that maybe the Leader of the Opposition was thinking of changing his mind on this matter. This morning, the Leader of the Opposition said, ‘At a time when you want to stimulate the economy, raising taxes is not a very good idea.’ Here he has an opportunity to lower taxes. Here is a chance for him to put an end to this bracket creep, which every year has been catching more and more Australians unfairly in its clutches. I call on the Leader of the Opposition to do more than simply say that he believes in lowering taxes and instruct his party to vote for this measure to provide this relief to 330,000 Australians across the country. This is a real test of whether the Leader of the Opposition is prepared to provide tax relief. He can do it today in this House; he can do it tomorrow in the Senate. We put out the challenge: do you want to lower those taxes? Here is the opportunity.

**Economy**

**Mr ABBOTT** (2.55 pm)—My question is to the Prime Minister. Given the IMF’s statement that providing cash to individuals is the best fiscal stimulus and given the Prime Minister’s own statements just now about intelligently deploying the surplus and about supporting the household economy, will the Prime Minister now give single age pensioners an extra $30 a week to help them through these difficult times?

**Mr RUDD**—One of the remarkable things about the opposition’s position on pensions is the fact that they leave so many millions of pensioners out. I say to those opposite that if they were serious in the policy
debate on this they would have had a consistent and comprehensive position all along. Secondly, if those opposite were serious about pension reform—and the member who has just asked the question was in cabinet for a long time—when did they argue to reform the pension and why didn’t the Howard government act to reform the pension for 12 years?

My third point is that we are committed to a policy of long-term pension reform. As I said in my answer to the question put to me before, the government believes that the right course of action is to act decisively to continue to support economic growth in the Australian economy in the future. We will do that. This government, despite considerable criticism from various people in the commentariat and from those opposite, put to one side a significant surplus for the budget in May. The reason that we put aside a surplus was to have that surplus to deal with tough times in the future. Those tough times have arrived. We are in a position to deploy the surplus. We will deploy the surplus in the interests of underpinning long-term positive growth in the Australian economy and in the interests of supporting the household economy as well.

Economy

Ms OWENS (2.57 pm)—My question is to the Minister for Trade. Given the current global economic uncertainty, why is a strong trade performance important for Australia?

Mr CREAN—I thank the honourable member for her question. I know the importance that she places on improving Australia’s trade performance. The fact is that the global crisis is undermining confidence. One indication of that is that spot prices for most commodities have taken a dramatic drop. This underscores the reason why when coming to office we said that we were going to set about developing a new trade policy that positioned Australia beyond the resources boom. This trade policy recognises the importance of diversification both in content as well as the direction of our trade focus. The other point that I would make is that improving trade performance is another arrow in the quiver of building confidence. The reason for that—

Opposition members interjecting—

Mr CREAN—The opposition never understand when in government the importance of increasing trade performance. They presided over 72 trade deficits in a row and they did that in the middle of a resources boom. Just imagine what it would be like if they were still in charge today. They never had the wit or wisdom to understand the importance of this diversification. Why does trade matter? It matters because world trade grows three times faster than world output. If economies are to secure their economic future, they have to engage in trade. They also have to pursue policies that not only liberalise trade and open markets but do the structural reforms to the economy to make sure that they are competitive enough and productive enough to achieve that outcome.

Recently, we concluded a free trade agreement with the ASEAN group of nations. I have spoken in the House about this before. In the break I had the opportunity to visit both Malaysia and the Philippines. Today, in discussions with the Prime Minister of Vietnam I had the opportunity to engage three of those countries in the new framework that this ASEAN free trade agreement gives us to better diversify and to strengthen our trade between those countries. This is not just off the back of the platform that is the multilateral negotiations but by sensibly driving the bilateral relations to continue to strengthen our position.

We have a great opportunity in the ASEAN region and in Asia as a whole. Peo-
ple have talked before about the IMF report, which does show that world growth is slowing, but growth in Asia is still solid and this is where we do have to engage. We have to engage on a broader front than was hitherto the case. We have to diversify into the services economy because it represents 80 per cent of our GDP but only 23 per cent of our export market. Why is it that the previous government was never able to perform better on the services front in all of its 12 years? The fact is that it had a narrow view as to what trade policy involved. It focused primarily around agriculture, not elaborately transformed manufactures or services. It has been to the detriment of this country and it has taken a Labor government to come back into office to get the balance right. I assure the House that we will do everything possible to ensure that we do get that balance back.

Taxation

Mr HOCKEY (3.01 pm)—My question is to the Prime Minister. Given that this government inherited from the previous coalition government no net government debt, a reserve in the Future Fund of over $50 billion and a budget surplus of nearly $20 billion in the last financial year, will the Prime Minister now bring forward the coalition government tax cuts due to commence on 1 July next year?

Mr RUDD—We seem to get a policy a day from the opposition at the moment. I listened carefully to what the member for North Sydney said about what happened with the then government’s use of revenue streams from the resources boom starting back in 2001. I listened very carefully. Here we are in the year 2008 and we have infrastructure bottlenecks off coal ports in New South Wales and Queensland, we have a national road system which is clogged in our major cities and we have no action on urban congestion in terms of establishing a comprehensive urban rail network. We had virtually no action in laying out a national high-speed broadband network. You begin to ask yourself this question: what happened to the $390 billion beyond the parameters which Saul Eslake and others spoke about so much last year? He posed the simple question: name a single infrastructure item, a single item of productive investment in the future, to which you could attribute that beyond parameter growth in government revenues which the previous government benefited from through the resources boom. His answer was: none. What I would say to the opposition is: we stand proudly by our nation-building agenda. We intend to build the nation’s infrastructure; we intend to deploy the capital of the nation in building future economic growth. We will build the nation’s roads, build the nation’s ports, build the nation’s railways and build the nation’s high-speed broadband because it is in the long-term interests of this economy that we do so and it supports economic growth on the way through.

Inpex LNG Processing Plant

Mr HALE (3.04 pm)—My question is to the Minister for Resources and Energy and the Minister for Tourism. Will the minister inform the House about the benefits to Australia arising from the Inpex proposal to build a $24 billion LNG plant in Darwin?

Mr MARTIN FERGUSON—I thank the member for Solomon who, with the member for Lingiari and me, was fortunate to be able to attend the Inpex announcement in Darwin last month. This announcement in this current financial environment is very important for Australia. The announcement of Inpex last month in association with the French company Total potentially represents a proposed investment in Australia of $24 billion. Such an announcement from the Ichthys
field in Western Australia represents the first potential development of the Browse field, which over time presents Australia with wonderful LNG export opportunities which are very important from a trade perspective.

Inpex’s announcement confirms that Australia remains a very attractive place for investment. That is important in the tough global economic environment that we confront as a nation today. We are still a very strong and attractive place for investments. When you think about that you understand why it is so important to Northern Australia. It potentially represents 2,000 jobs in construction and an extra 300 long-term jobs in production, which historically are high-paid, high-skilled jobs. It also presents for the Northern Territory significant business opportunities for small and medium sized businesses to actually grow and develop expertise in the LNG industry in the north of Australia for the future. For Darwin it also represents a very strong statement that Darwin has come of age as a major industrial province in Australia.

From the Australian government’s point of view, we are not content with the Inpex announcement alone. We are not accepting of the fact that in the last 30 years there have been developed only two major LNG export provinces in Australia—the North West Shelf and, to a lesser extent, the Northern Territory. We are a gas-rich nation. We have to continue to work with the state and territory governments and the private sector to actually secure investment in projects such as Gorgon, Sunrise, the Kimberley and Gladstone.

I am also pleased to report to the House in that context that the Timor-Leste government has appointed a Sunrise commissioner and the first meeting of the Sunrise commission will occur in Perth towards the end of this month. Hopefully, this will be another step forward in the development in partnership with the Timor-Leste government of further LNG export opportunities to the advantage of both countries.

But you should also appreciate that the LNG industry is important in terms of climate change and the issue of the environment. For every tonne of CO2 emitted in Australia during production, LNG saves four tonnes of CO2 when consumed in Japan and nine tonnes when consumed in China. In a carbon constrained world, Australian LNG is therefore very important to maintain continued sustainable growth in Asia—in places such as China, Japan and India—which is exceptionally important to Australia’s future economic prosperity. It is therefore our responsibility to continue to work in this tough global environment to secure investments such as this, because these investments are fundamental to our economic and social future. They create a foundation for jobs, investment, exports, infrastructure and economic growth.

The investment also potentially represents over time a big boost to export revenues for Australia. By way of information to the House, forecast production volumes from the Inpex project—eight million to nine million tonnes of LNG per year—are about equal to 50 per cent of current LNG annual production and 60 per cent of Australia’s current condensate or light crude oil.

Mr Tuckey interjecting—

Mr MARTIN FERGUSON—Unlike the member for O’Connor, this side of the House is delighted with the Inpex investment. It is in Australia’s best interests and it is a very strong statement that we are an attractive place for investment. It is a significant project for Australia and a significant project for Northern Australia. It is our responsibility to make the most of these investment opportunities.
I was also pleased to see only in the last fortnight the first shipment of LNG from Western Australia out of train 5 on the North West Shelf. At the end of this week, to build on these initiatives, I will be travelling to Perth to meet with the Western Australian Premier to indicate in very clear terms that, from the Australian government’s point of view, we will be doing everything possible with every state and territory government to secure similar investments because, unlike the member for O’Connor, we understand what is in Australia’s best national interests.

Economy

Mr HOCKEY (3.09 pm)—My question is to the Prime Minister. I refer the Prime Minister to the IMF World economic outlook released last week. Will the Prime Minister abandon the tax increases in his budget, which are completely at odds with the appropriate fiscal response to this crisis?

Mr RUDD—Can I just say one thing: tax as a proportion of GDP went down as a result of this government’s first budget, and I would ask the member for North Sydney to actually reflect on that fact before he asks another question like that.

Economy

Ms ANNETTE ELLIS (3.10 pm)—My question is to the Minister for Housing. How is the government responding to emerging dynamics in the housing market in these uncertain financial times?

Ms PLIBERSEK—I want to thank the member for Canberra for her question. I know that she has a lot of first home buyers in her electorate and I know that her concern goes not just to the mums and dads and families in her electorate but particularly to some of her constituents with disabilities. We went out to Abbeyfield in her electorate and visited a wonderful facility there with the Parliamentary Secretary for Disabilities and Children’s Services as well.

The Australian government is very concerned about the effects of the global financial crisis and we know that many Australians are watching housing markets in the US and elsewhere. Of course, we are not immune to world economic forces, but there are a number of significant differences between Australian housing markets and those overseas, and they include the comparatively strong financial sector here in Australia and the action that the government has taken to make sure that it remains that way. We also have non-conforming loans running at about one per cent in Australia, compared with about 15 per cent in the United States.

A critical difference as well is that we have a shortage of housing rather than an oversupply, as you see in the United States. In fact, Treasury estimates that we have a shortage of about 30,000 homes a year fewer than we should be building to keep up with underlying demand, and many would say that is a conservative estimate. Indeed, that is one of the reasons that we set up our National Housing Supply Council, a council of eight leading experts in the housing industry to pull together the best evidence to tell us more about the mismatch between supply and demand for housing here in Australia. Just last week I met with the council again to discuss their progress and their views about the pressure points in the housing market here in Australia. We spoke about the affordability problem that continues to be faced by first home buyers, about pressures in the rental market, about the need to improve the efficiency of the housing market and about the implications of the global circumstances on housing supply.

Of course, all of our programs are squarely targeted at meeting these challenges, and housing affordability for first home buyers, for example, is being tackled by our first home saver accounts. We have already delivered on these accounts, a $1.2
billion commitment from the last election, and the response has been first-rate. Indeed, a piece written by Laura Anderson in the Adelaide Advertiser quotes the ANZ as saying:

There has been significant interest, beyond our expectations …

A spokesperson from Members Equity is quoted as saying:

A lot of people are ringing up, particularly parents who realise it is a good mechanism to develop secure savings for their children.

The Commonwealth Bank is quoted as saying the response has been ‘extremely encouraging’. Collecting substantial funds in these new accounts is particularly important at a time when having access to savings is very important in the economy. At the same time, the government has injected substantial funds into the non-bank-lender mortgage market, a move that has been welcomed by economists, by mortgage providers and, of course, by the opposition. We have also had a very substantial amount injected into new measures to stimulate building both in the rental area and for homeownership through our first home saver accounts; our National Rental Affordability Scheme, which will see the building of up to 50,000 new rental properties in coming years; and our Housing Affordability Fund, which will bring down the cost of new homes to purchase. Of course, there are no silver bullets when it comes to housing supply in Australia, but a sensible approach over the long term will certainly help us to meet the challenges ahead.

**Workplace Relations**

Mr TRUSS (3.14 pm)—My question is to the Prime Minister. Given the global financial situation, what action will the government be taking to maintain Australia’s hard-earned reputation as a reliable trading partner in light of the first industrial disruption in the Pilbara in 16 years?

Mr RUDD—The industrial disputation around the country in large part occurs in the context of a range of disputes between companies and unions or those representing individual workers in workplaces. The details of each dispute are going to be localised to the circumstances in those businesses. The key thing for the future is to make sure that we get the balance in Australian workplace relations right. That is a balance between fairness and flexibility.

**Opposition members interjecting**—

Mr RUDD—I notice that those opposite are beginning to jeer. Can I say this to those opposite: when you have softening employment and increasing unemployment around the world and therefore have softening employment and increasing unemployment prospectively in Australia, working families dealing with the reality of the workplace would not want the protections available to them under Work Choices, because Work Choices stripped away basic protections in the workplace. Those opposite received such a caning at the last election because working families believed, rightly, that the balance had been got wrong. What we know from the interjections of those opposite is that they remain the party of Work Choices. In their heart of hearts and their mind of minds, they still believe in Work Choices, despite political protestations to the contrary. Therefore, in the future, if they were to return to the treasury bench, Work Choices would be back.

I say this to those opposite: if working families concerned about employment in the future were given the opportunity of dealing with Work Choices on the one hand or a fair and balanced industrial relations system on the other, they would vote for a fair and balanced industrial relations system. They did at the last election. We are delivering on that for the future. It is the right thing for work-
ing families, who are facing real challenges ahead, and we need to make sure that they have every protection possible.

**Budget**

*Mrs D’ATH (3.17 pm)*—My question is to the Acting Treasurer. Can the Acting Treasurer outline the importance of passing the government’s budget bills, particularly given the global financial uncertainty?

*Mr Tanner*—I thank the member for Petrie for her question. When the new opposition leader first took office, he extended the hand of bipartisanship to the government and almost in the same breath recommitted the opposition to continuing to tear down the government’s budget in the Senate. In more recent times, notwithstanding the supposed commitment to bipartisanship on the part of the opposition in the very difficult international financial circumstances that Australia finds itself in, we have seen the opposition spreading fear—for example, about the state of Medibank Private and private health insurers—seriously misrepresenting comments by the Prime Minister, as the shadow Treasurer did only a few days ago, attacking the Reserve Bank and claiming credit for decisions on interest rates by Australia’s major banks. Malcolm still thinks he is in charge, apparently.

It is notable that, notwithstanding the renewal of the rhetoric about bipartisanship by the opposition yesterday, actions have not changed. The position that the government faces in these very difficult circumstances regarding its budget in the Senate is that the opposition thus far remains committed to continuing to punch holes in the government’s surplus, the nation’s insurance policy, in the Senate. In fact, I note that today it has been reported that Senator Steve Fielding has stated that he will support those budget bills regarding the taxation of so-called alcopops and the Medicare levy surcharge because of the international financial crisis.

I commend Senator Fielding for taking this position and I would also indicate that it is the government’s view that the other non-government and non-opposition senators, the Greens and Senator Xenophon, have also taken broadly a responsible position with respect to the government’s budget bills. It is a pity that the so-called alternative government, while extending a purported hand of bipartisanship to the government, on one of the most critical aspects of the nation’s economic policy settings is still seeking to tear down the budget surplus, the nation’s insurance policy, the nation’s buffer against the implications of the global financial crisis, in the Senate. I would urge the opposition to have a think about precisely where it is now positioned. At this stage, the opposition is still seeking to tear down the budget surplus, the nation’s insurance policy, the nation’s buffer against the implications of the global financial crisis, in the Senate. I would urge the opposition to think very carefully about its actions in the Senate. We now have a very difficult situation to deal with in this country where the state of the budget surplus and the government’s budget bills in the Senate are of crucial significance. So, if you want to be bipartisan, how about you start acting like it.

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

**PERSONAL EXPLANATIONS**

*Mr Tuckey (O’Connor) (3.21 pm)*—Mr Speaker, I wish to make a personal explanation.

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

*Mr Tuckey*—Most severely.
The SPEAKER—Please proceed.

Mr TUCKEY—The Minister for Resources and Energy has just implied that I was opposed to the development of LNG facilities in Australia. My still unanswered question to the Acting Prime Minister at the last sitting raised environmental and Commonwealth revenue implications regarding Inpex’s decision to build an additional undersea 800-kilometre pipeline to Darwin because the defeated WA government refused access to the closest land to the—

The SPEAKER—Order! The member for O’Connor will resume his seat. He is commencing to debate the question.

Mr Tuckey—I am saying what it was, Mr Speaker.

The SPEAKER—Order! I appreciate, Member for O’Connor, that this is the first sitting day of ‘Rocktober’, but we are not going to shake, rattle and roll with you! I am looking for a very tempered month from you and not a rocky relationship—a very big call.

AUDITOR-GENERAL’S REPORTS

Report No. 6 of 2008-09

The SPEAKER (3.22 pm)—I present the Auditor-General’s Audit report No. 6 of 2008-09 entitled Illegal, unreported and unregulated fishing in the Southern Ocean—Australian Customs Service.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.23 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.
The RESA has to be built to comply with International Civil Aviation Organisation safety standards which were adopted in May 2003 by the Civil Aviation Safety Authority (CASA) for international airports in Australia. RESAs are cleared ground areas located at each end of a runway at international airports. RESAs are intended to minimise the harm to passengers in the unlikely event that an aircraft overruns or lands short of a runway. The Australian government is interested in all measures that will enhance the level of aviation safety and the safety of the Australian travelling public.

RESAs are an important part of aviation safety, and my approval for the construction of the safety area at the western end of the Sydney east-west runway is critical to ensure Sydney Airport maintains international safety standards. The RESA will provide a 90-metre by 90-metre paved area at the western end of east-west runway, and it is estimated that it will cost Sydney Airport approximately $85 million to build.

Located at the western end of the east-west runway—where the enlarged runway safety area will be built—are Sydney’s largest sewer, the M5 East Motorway and the Cooks River. As a result, building Sydney Airport’s sixth and final runway safety area will be complex.

For the first eight-month phase of the project—mid-October 2008 to mid-June 2009—construction work will require the presence of a giant pit at the end of the runway, the use of 35-metre-high cranes and building materials that must stay in place for extended periods of time while concrete dries. Such obstacles at the western end of the runway pose a serious risk to aircraft and passengers. Operations on the east-west runway will therefore be limited to take-offs to the east.

Construction will involve the installation of more than one hundred 27-metre-long precast concrete structural beams, each weighing more than 25 tonnes. Construction work will be carried out seven days a week and the project will also generate around 770 construction jobs. There will also be extensive night works including excavation and filling works, removal of substantial volumes of excavated material, pavement construction work, construction of a stormwater detention basin, installation of new services and construction work relating to the retaining wall.

When completed, the RESA has to be able carry a fully laden Airbus A380 and rescue vehicles. That is, the safety area has to be built over a sewer, next to a river and adjacent to the M5 East and be able carry well over 600 tonnes, which is 12 times the weight bearing of a normal road.

The Australian government has consistently emphasised to Sydney Airport the priority it attaches to safety in this runway extension project and, upon advice from the Civil Aviation Safety Authority (CASA), I am satisfied that the project meets the current aviation safety standards. Decisions about safety standards at Australia’s airports are made by CASA. CASA advises that the length of the RESA under construction at Sydney Airport is the same as every other safety area for runways at international airports in Australia. Sydney Airport has completed safety areas at five of its six runway ends, and the western end of its east-west runway is the last runway end to be upgraded with a RESA. During the construction of the RESA some operational restrictions will be required at the airport, which in addition to construction noise will have an impact on communities near the airport.

I have left no stone unturned to minimise the impact of this essential safety work on these communities. As a result of the conditions on the development, the east-west runway will now remain open during construc-
tion of the RESA. Sydney Airport will install a ‘jet blast barrier’ across the east-west runway to protect the worksite at the western end, thereby allowing the eastern end to be used for take-offs.

Weather and traffic permitting, aircraft up to the size of a Boeing 737, the most common jet aircraft in Australian skies, will be able to depart in an easterly direction from the east-west runway. This will apply from later this week, when construction starts on the western end, until May 2009 when the substantial part of drilling large piers into the ground will be completed.

At the insistence of the Australian government, Sydney Airport Corporation has reduced the critical construction period from 15 months to eight months with a total construction period of approximately 19 months. In approving the RESA, I have placed 22 stringent conditions on the Sydney Airport Corporation, and I table those conditions.

The conditions ensure that:

- aircraft will be able to depart off the eastern end of the east-west runway throughout the construction period;
- Sydney Airport will be required to install a ‘jet blaster barrier’ across the east-west runway to protect the worksite at the western end, thereby allowing the eastern end to be used for take-offs;
- full use of the east-west runway will be available at critical times after only eight months, not the 15 months originally proposed;
- the ongoing monitoring of construction noise and a community complaints phone line and email address for the project to be administered by the airport, in addition to existing aircraft noise complaints line administered by Airservices Australia;
- monthly reporting to the Sydney Airport Community Forum on the project; and
- regular reviews of the project to see if it can be safely hastened or community impacts further reduced.

Airservices Australia has also, at my request, introduced a number of measures to minimise the impact on the community during the period of these works. In particular, a noise-sharing Mode 15 will be introduced to allow aircraft to be directed off the shorter parallel runway to the east and north-east, providing relief to the residents to the north and northwest. Keeping the eastern end of the east-west runway open for take-offs will ensure residents to the north, north-west and south of the airport will no longer bear the full burden of aircraft noise during construction of the safety area.

The government explored every possible way to minimise the noise impact on surrounding communities while this essential safety work is being carried out. The residents of Sydney will still be affected by the temporary changes in aircraft noise from this project, but the safety works are absolutely essential and we have lessened the noise impact as much as possible.

I have strengthened the community’s ability to monitor and report on the impact and progress of the construction. The Sydney Airport long-term operating plan Implementation Monitoring Committee, or IMC, will meet monthly and I will be provided a report through the Chief Executive Officer of Airservices Australia.

I have asked Airservices Australia to further investigate with the aviation industry, airlines and CASA possible changes to the crosswind and downwind thresholds at Sydney, but to ensure that any change categorically does not impact a mode called SODPROPS which maximises aircraft movements over Botany Bay and away from
respite to the majority of the community. All Sydney Airport’s three runways will remain open while essential safety upgrades are made to the western end of its east-west runway—work which will ensure the runway meets international safety standards.

In January 2008 the government reinstated the Sydney Airport Community Forum (SACF). Sydney Airport will continuously engage and consult with the community, Airservices Australia and my department throughout the RESA project. SACF was engaged with the process in the lead-up to the major development plan approval. This included a full briefing of SACF on 15 August prior to my announcement, and a briefing two days earlier of the Implementation and Monitoring Committee of SACF. I thank the members of the Sydney Airport Community Forum, from across the political spectrum, who gave support to the process and made constructive representations throughout this process which has helped the government’s consideration of the runway end safety area project.

I seek leave to move a motion to enable the member for Wide Bay to speak for 11 minutes.

Leave granted.

Mr ALBANESE—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Truss speaking for a period not exceeding 11 minutes.

Question agreed to.

Mr TRUSS (Wide Bay—Leader of the Nationals) (3.34 pm)—I am happy to respond to the minister’s statement, which I only received about 20 minutes before question time. On reading the statement, I find it does not really contain anything by way of news. In fact, it is a repeat of an announcement made on 15 August about this project on the east-west runway at Sydney Airport, and the work is already underway. There is nothing breathtakingly new in the minister’s statement.

Nonetheless, it is a significant project and I know that it affects a lot of people who live in the Sydney basin. It has been the people living in the area who have, naturally, been particularly interested in how this project can be effectively managed in a way that does not unduly affect the amenity of the region. Since 2003, arrangements have been progressively implemented internationally to raise standards at airports by having a runway end safety area on all runways. Generally it has been a relatively inexpensive and easy-to-implement operation for airports. In fact, Sydney will require six of these runway end safety areas. Five have been constructed already, at a total cost of $3 million. However, this project, as the minister has said, will cost about $85 million, so this is an example of how these have generally been relatively easy to provide: five in total for $3 million, and now one is going to cost $85 million. It is because of its location. As the minister pointed out, there is very strategic infrastructure in the region, and the need to carry heavy loads, the need to protect the environment, and existing infrastructure in that area have made this an exceptionally difficult and costly process.

I take some issue with the belligerent tone of some of the minister’s opening remarks. When he said that the airport planned these works in late September 2007 he implied that the previous government was negligent in dealing with the issue. It is true that the previous government was notified of the proposal in September 2007. I understand that officials of the Department of Transport and Regional Services were alerted and then those officials informed the minister’s office. The minister’s office was concerned about the planned construction schedule and immediately sought advice from the department
about what action could be taken to make sure that this project was undertaken in the best possible way. The election intervened and there was a hiatus. Of course, if the previous government had sought to intervene in those circumstances then they would have been rightfully condemned for having breached the caretaker provisions.

Nearly a year later, a satisfactory solution has been found to enable this project, which everyone agrees is required, to be conducted in the best possible way. This project does need to be done in a safe and efficient way. It will be difficult, as has been pointed out, to move cranes onto the end of a runway to lift very heavy concrete beams over an extended period of time while still enabling the airport to fulfil its responsibilities. To maintain a safe and readily available landing and take-off area will be a challenge.

The minister pointed out correctly that the Sydney Airport Community Forum has been involved in discussions about the process. I notice that he said in his statement that he had reinstated this body, but it has been in existence for many years. Under the previous government it continued under Senator Payne’s active leadership. It met as required to deal with issues. It comprises community representatives, local members of parliament, councils and the like. The current forum is very similar in style and structure to the one that has existed for many years. Mr Vic Smith, the Chair of the Sydney Airport Community Forum, provided a submission on the development of this proposal. Ironically, the forum includes a whole lot of members of parliament from both sides and has generally operated in a pretty bipartisan fashion. There was one dissenting report in this case and that came from the member for Barton, the Attorney-General, who had some concerns about some elements of the report. But, effectively, there was a bipartisan approach taken to developing the best way of dealing with this issue.

I think it also needs to be acknowledged that Sydney Airport have been constructive and have sought to find the best possible way forward. In a press release on 12 October they talked about the construction program. I will read two or three paragraphs because I think they emphasise some of the real challenges and the potential impact this project may have on people living in the area. The press release states:

While this is an essential safety upgrade, the construction program will mean that usage of the east-west runway will be restricted to take-offs to the east by some aircraft. This restriction will have two temporary operational impacts:

- **High Cross-Winds:** if there are high cross-winds while the runway safety area is under construction then, as sometimes happens when there is fog or thunderstorms, flights may be delayed or diverted. The construction program has been developed taking into account historical weather data about the likely occurrence of high cross-winds to minimise potential disruptions for passengers.

- **Aircraft Noise:** because there will be restrictions on the operation of the east-west runway while construction is underway the distribution of aircraft noise around the airport will be different. People living under the flight paths of the two north-south runways will experience an increase in the number of aircraft movements, while people living under the flight paths to the east-west runway will experience a decrease in the number of aircraft movements.

There will be no change to the airport curfew and cap of 80 aircraft movements per hour.

There will be some inconvenience associated with this construction project, like there is with almost every major infrastructure project during its construction phase. There will be some delays from time to time, though I think these will be fairly rare for passengers, and there will be some change to the noise
pattern—some people will be better off, of course, while others will have to bear a slightly increased noise load.

We do have to do this. The airport is one of the most—and some would say the most—important single pieces of infrastructure in our nation. It needs to meet world standards. With very large aircraft with heavy loads now coming into Sydney the airport does need to be safe. We hope this $85 million investment will never be used. The likelihood is that it will never be used, but it is an additional safety feature and will help increase the confidence of people who arrive at and depart from Sydney Airport that they are using a facility that is of world standard and that is genuinely safe.

This is an important project. Those arriving at and departing from Sydney Airport may notice this project, although in some ways it will not be as spectacular as the new terminal buildings and other infrastructure that are currently underway at Sydney Airport. It is an important safety element. There is no doubt that the project deserves the support of the parliament. We commend Sydney Airport and the people of the Sydney basin for their willingness to work together to find the best possible way in which to undertake this project that will cause minimum inconvenience. We wish the construction project well. We hope it can be completed on schedule and that the detailed plans that have been prepared to deliver this project will be successful.

**Indigenous Aged Care**

*Mrs ELLIOT* (Richmond—Minister for Ageing) (3.43 pm)—by leave—Members of this chamber will recall that on 22 September the Australian government announced details of a plan to improve the long-term quality of Indigenous aged care. That plan includes setting for the first time an independent set of quality standards applied to the national Aboriginal and Torres Strait Islander flexible aged-care program services and a $46.2 million program to support care staff and management, provide locum relief and improve facilities as well as carry out emergency works.

In addition, the government also announced an independent assessment into the Department of Health and Ageing’s handling of the Docker River flexible Aboriginal aged-care service. On 14 June 2007, Dulcie Brumby, 70, an Indigenous resident with dementia living at Docker River flexible aged-care, died as a result of severe burns after falling into an open pit fire. This was an appalling tragedy, and I again express my condolences to the Brumby family. The independent assessment is now underway and I understand the Aged Care Commissioner, Ms Rhonda Parker, has already visited Docker River.

In Australia there are 29 nursing homes with a significant Indigenous population and 30 Indigenous-specific flexible services, providing in total about 700 places. The Australian government has recognised the vulnerability of isolated Indigenous-specific aged-care services and the difficulties facing them. We must improve the quality of Indigenous aged care. We want proper care for older Indigenous people, whilst recognising, respecting and maintaining the important cultural requirements. We will continue to consult with and take the advice of Indigenous communities and the Indigenous aged-care sector.

I would also like to take this opportunity to further update the parliament on my plans for improved Indigenous aged care and some recent developments. This week the Australian government will begin to conduct national quality site visits to all 30 flexible Indigenous-specific aged-care services so it can identify safety risks and the need for
emergency works. The quality site visits will examine the level of care, overall safety, appropriateness of staffing levels and governance. Early next year the Department of Health and Ageing will work with each service to implement a building and maintenance action plan. In addition, the federal government will fund fire protection devices where elders may gather around traditional open fire pits at Indigenous-specific aged-care services.

On a final note I would like to inform the chamber of a visit last Thursday to the Northern Territory. I visited two Indigenous-specific aged-care services with the federal opposition shadow minister for ageing, the member for McPherson. It was a bipartisan visit. We visited the Kalano flexible aged-care residential service near Katherine and a respite aged-care service at Mutitjulu, near Uluru. We had the privilege to see the services firsthand, meet residents and speak to aged-care workers and volunteers.

The Kalano service provides 18 low-care residential places and the Mutitjulu respite service provides respite for up to 25 older people and 25 carers. At Mutitjulu the older women, speaking in Pitjantjatjara, told me, through an interpreter, about their needs—and we will be responding to those needs. The visit was about listening and learning and seeing how to improve the services. I hope that we will continue to work together with the opposition on Indigenous aged care.

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

Leave granted.

Mrs ELLIOT—I move:

That so much of the standing and sessional orders be suspended as would prevent Mrs May speaking for a period not exceeding four minutes.

Question agreed to.

Mrs MAY (McPherson) (3.48 pm)—As the House has heard from the Minister for Ageing in her ministerial statement on Indigenous aged care, we did undertake a bipartisan visit to the Northern Territory last week and our trip encompassed visits to the Kalano flexible aged-care residential service, which is just outside Katherine, and a respite aged-care service at Mutitjulu, in the shadow of Uluru. I put on the record that both site visits were extremely beneficial, I think, for both the minister and me. I think the trip was important for many reasons. But for me, more than anything else, it was an opportunity to look and see, to listen to and engage with the local staff and particularly with the residents and volunteers, and to understand, more importantly, what happens in these aged-care facilities and what we can do to ensure that appropriate aged care is delivered to Indigenous Australians.

At Kalano I had the opportunity of talking to two women who are aged-care workers there and are obviously dedicated to the roles they were undertaking at the aged-care service. Both had been at the service for around 10 years and both, interestingly enough, had undertaken certificate III in aged care. They were extremely proud of that education and what they had achieved. I would say to the minister that when she is looking at programs for the future, particularly in Indigenous aged care, she should look at some of those education programs that will ensure we deliver the best in aged care. One of those women is also undertaking some further studies in dementia care. I think that augurs very well for Kalano and the sort of service they can deliver.

At Mutitjulu we had the opportunity of talking to Helen Sadler and her staff from Frontier Services—they run the respite service there. We discussed the challenges and the issues of providing care for the Indigenous people at Mutitjulu, recognising also
the remoteness of the community and what can be delivered on site. I had the opportunity, as did the minister, of talking to Judy Trigger, who is Chair of the Mutitjulu Community Aboriginal Corporation. Judy spoke to us through an interpreter. I would like to extend my sincere thanks to her, as I am sure the minister would, for her honesty and candour when discussing the challenges and the needs of her community, in particular the needs of the elderly women who access that respite service on a daily basis at Mutitjulu.

I am delighted today to hear that the minister is going to respond to those concerns and the issues that were raised with both her and me. I think it is important in situations like this that we put aside our differences. The minister and I do have our differences on occasion, but I think overall we would both say that both visits were extremely beneficial to both of us. On a bipartisan level we are both committed to ensuring we deliver optimum aged care to Indigenous Australians. I welcome the site visits that the minister has announced today and I hope that, once those site visits have been completed, any safety risks that need action or emergency works that are needed in those aged-care facilities will be undertaken by the government. She has my full support to undertake that work. I thank her today for extending to me the opportunity to visit the Northern Territory with her last week. It was a great opportunity for both of us and I will endeavour to work with her in the future to deliver some really good outcomes for Indigenous Australians.

TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE THRESHOLDS) BILL (No. 2) 2008
Second Reading

Debate resumed.

Mr DUTTON (Dickson) (3.52 pm)—Off the back of the last piece of business before the House, I congratulate both the shadow minister for ageing and the Minister for Ageing for the way in which they were able to facilitate what is certainly a very important visit in an area in which we all, as a nation, have a definite responsibility to improve the outcomes. We need to make sure that people in Indigenous communities, particularly the aged, are able to enjoy a standard of care which would be expected by other Australians. As the shadow minister for health and ageing, I will also endeavour to provide bipartisan support wherever possible to make sure that we can satisfy ourselves that standards are improving, that increased funding is flowing and that ultimately the living standards of those residents concerned is improved.

I want to continue my comments from this morning in relation to the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008 and restate my disbelief that this government would proceed with a bill that will put further pressure on the public health system in this country. It really defies belief that this government would force up to one million people out of private health insurance, adding hundreds of thousands of procedures to the waiting lists of the public hospitals right around the country—this at a time when the public hospital system is at breaking point.

Any Australian family, any older Australian and any person in this country who has been in need of emergency medical attention would be able to tell the story of their experience, or of that of somebody known to them, when they visited a public hospital basically anywhere around the country. They would tell you the story of the tremendous support they received from the staff at the hospital, but they would tell you of their great frustration at the period of time they had to wait. You hear countless stories right around the country—in particular from older
Australians who, in some cases, have been on waiting lists for many years—and it is very hard to explain to those people why this government would be putting extra pressure on those waiting lists which potentially would see people on current waiting lists waiting even longer.

It is hard to imagine that this government have any credibility in the area of health policy when they are pursuing the same ideologically outcomes as the state and territory Labor governments have been pursuing over the last 10 years. When you dig a little deeper you understand that this is a government driven by ideology and with the same sort of health priorities, the same style of health management, as we have seen at a state level over the last 10 years, and that is, as I said earlier today, most concerning.

The coalition government achieved a great deal over 11½ years in this country, not just for the economic situation—and that is most pertinent at the moment because this is a government that have inherited a fundamentally strong Australian economy. They inherited an economy with a surplus, not the deficit that we inherited when we came into government in 1996. They inherited no net government debt. When we came into government in 1996 we inherited $96 billion of government debt, paying about $8 billion a year in interest. We provided to the incoming government at the November election a prudential regulation system in this country which is now obviously the envy of the world. It was all that work by the Commonwealth over the last 11½ years that has provided us with the ability to support health services in this country, health services which the federal government has a responsibility, health services which we have to make sure we get right today so that with the ageing of our population we are able to cater for tomorrow.

I mentioned to the House earlier today some of the achievements of the coalition government in relation to private health insurance. The latest data from the Private Health Insurance Administration Council show that 10.9 million Australians, 44.7 per cent of the population, were covered by private health hospital cover. Significantly, in the 12 months to June 2008, the biggest growth of any age group was in the 25- to 29-year-old category, with an increase of 53,313 people. These are the people the Rudd government expects to drop their coverage, reducing the pool of people and resulting in increased premiums.

So my message today is to pensioners, to older Australians, to many self-funded retirees who are finding it difficult to make their budget balance in these very difficult economic times and to families. They need to ask this government why they are introducing a policy in the form of this bill which will effectively drive premium prices in this country through the roof and which will displace all of those people out of private health insurance and onto the waiting lists of an already stretched public system. The government need to explain that to the Australian people. The Australian people need to demand answers to these questions. Why would you pursue such an ideologically driven policy which will provide poorer health outcomes for every Australian?

Australians understand the way insurance works in this country. They understand that the risk is spread amongst people who insure. They understand that some of those 10.9 million Australians, like younger people before they have families, do not claim very much at all by way of their private health insurance. By and large, they are not, fortunately for them, in a stage of life which presents them with complicated medical issues or procedures that require a lot of money to address. They are the people who average
out the price for older Australians. This is a very important principle for people in this debate to understand.

If you remove one million of those people, particularly younger people who do make health insurance affordable in many cases for a lot of older Australians or people who are struggling on smaller incomes to pay their private health insurance, then it stands to reason—and all of the independent evidence backs this up—that the health insurance premiums in this country will rise unnecessarily and they will preclude in many cases people who have paid health insurance for a long time and are approaching a stage of their life where they need that satisfaction of mind. They maintain their private health insurance so that if they are ageing in a facility somewhere or in a community they will have the support of a private health system. Some of those people will, tragically, out of this circumstance be driven out of that system. That is an unacceptable position to adopt, but it is one that this government has ideologically adopted.

As I understand from media reports, there have been some developments in relation to the position of Senator Fielding and his stance on this matter. Members will recall that the senator voted against the bill in its original form in the Senate, which blocked its passage, and the amended bill is the one that we debate now in this chamber. I understand from those media reports that Senator Fielding says now that he will pass government budget measures, including this particular measure. That decision is, of course, one entirely for Senator Fielding, but some of the important points that Senator Fielding made in his contribution to the original debate need to be borne in mind today. People need to recognise that the opposition posed by Senator Fielding, the coalition and many other people right around the country who are independent of the parliamentary process but who are nonetheless experts in health, and the concerns that we all share, still need to be borne in mind. Senator Fielding’s contribution to the debate should not be dismissed because of his current position. People still need to bear in mind the very important consideration that Senator Fielding gave to the first bill. The reasons for which he decided to vote against the first bill still stand. The fundamental corruptness of this as good public policy still stands. This will still result in bad outcomes for Australians, some of which I have detailed before and some of which Senator Fielding has detailed both in the chamber and outside. Those outcomes still stand. Those difficulties which make this bad policy have not gone away.

This is a measure which will deliver bad financial outcomes as well. There has to have been, by my estimation and on the advice that I have received, some deal stitched up or an intention to stitch some deal up with the state and territory governments. The state and territory governments around the country will not tolerate hundreds of thousands of procedures going onto their waiting lists without corresponding compensation from the Commonwealth. To his credit, the former Western Australian Labor health minister told the Senate inquiry of the $50 million a year extra which it would cost the Western Australian health system to facilitate, on the estimates available at the time, the extra procedures in the public hospital system in WA. I spoke of that earlier. He was the only one at the time, when you went around the country, that had the guts to say that this was going to be a financial burden on the state and territory governments.

It stands to reason that if Western Australia was demanding compensation for that $50 million then the other states and territories will follow suit. So, importantly, this minister needs to explain to this House and to the Australian people what deals have al-
ready been done. How many millions of dollars of Commonwealth taxpayers’ money have you promised to state and territory governments? How will that compensation flow? What is the justification for that money flowing if it exceeds any savings to the Commonwealth? If the money which has to flow from the Commonwealth to the states exceeds any savings to the Commonwealth, why would you pursue this policy? The health system in this country cannot stand with either private or public as the only options. The same arguments prevail in education as they do in health. If you take away the private sector and the capacity of people to be able to contribute to their own medical health insurance, the pressure on the public health system in this country will be unbearable. That is why we stand opposed to this policy. It is why we will not support this bill either in this chamber or in the other place. It is why we hold fast to our very strong belief that, in a population of 20 million people where over 10 million people have private health insurance, safeguards need to be put in place to make sure that that is a viable system into the future.

If you took all of the Commonwealth revenues that we put into private health in this country and transferred them into the public health system tomorrow—if you effectively closed down the private health sector—the public health system would still collapse under the weight. There is nothing but ideologically driven desire in this debate. There is no other rational explanation as to why this government have taken the stance they have. They need to be honest about where it is they think private health insurance will be heading in this country over the next 10 years. There is a lot of rhetoric from this government; there are a lot of thought bubbles; there are a lot of one-day policy media release announcements which ultimately amount to nothing. This government have to explain why they are striking at the heart of the private health insurance system in this country at the same time as they are striking a near fatal blow to the public health system. None of their state counterparts could have supported this in public or private discussion. The federal department of the minister, the Department of Health and Aging, opposes this measure. This is a Treasury driven measure which will be bad for families. It will be bad for older Australians. This government needs to decide whose side they are on. Are they on the side of the bureaucrats and boffins associated with this decision or are they on the side of the 10 million Australians who have private health insurance? (Time expired)

Mr TREVOR (Flynn) (4.06 pm)—I rise today to support the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. It is with great interest that I speak on this bill today. The Medicare levy is, of course, currently a one per cent levy placed on taxpayers who do not have in place private patient hospital cover and who earn over certain thresholds. It is these unjust and outdated thresholds that I will be focusing on and that are, of course, the centrepiece of this government’s bill, which I am happy to speak on today. The Medicare levy surcharge was first introduced in 1997 by the then coalition government. When first introduced, this policy was aimed at encouraging high-income earners in Australia to take out private health insurance—a noble act by any means—but, unfortunately, this legislation has now become outdated and shamefully misdirected, and it is my government’s commitment to the Australian people to correct this injustice and to unburden working Australian people and families of an unfair tax. The public do not expect anything less, and why should they?

To look back to 1997 when this policy was first introduced, the then government
classified a high-income earner as a single person earning over $50,000 per annum or a family earning over $100,000 per annum. In doing so, it set the threshold of this levy at these levels. The problem is that these threshold levels have not changed since their introduction 11 long years ago. It is a shame, and shameful, that the former government never had the foresight, courage or leadership to keep these thresholds up to date and to keep pace with current Australian trends.

When the policy was first introduced, again back in 1997, 167,000 people paid the Medicare levy surcharge—that is to say, 167,000 high-income earners without private hospital insurance paid this tax. But, as wages and the cost of living increased over the 11 years since the levy’s first introduction and with the same static thresholds applied to this policy by the former government, by 2006 this figure had jumped to over 465,000 people in Australia paying this tax—465,000 Australian taxpayers hit with an additional one per cent surcharge for not having private hospital cover. It is now the ordinary working Australian and their families who pay this tax, alongside the high-income earners and the wealthy whom it was originally targeted at. A wage of $50,000 per year is now below the average wage in Australia. The average wage is now $58,600 per year. To hit a group of Australians earning less than the average wage with an additional tax that was initially targeted at high-income earners is, in my opinion, grossly unfair, if not clearly wrong. It is certainly harsh, unconscionable and very unreasonable. In August 1996 the then Treasurer told this House regarding the Medicare levy surcharge:

… higher income earners who can afford to take out private health insurance will also be encouraged to do so.

… … … …

This is the levy which the Government hopes no-one will pay.

After its initial introduction in 1997, approximately eight per cent of Australian taxpayers incurred the Medicare levy surcharge. This eight per cent is probably a fair reflection of the levy’s initial purpose of targeting high-income earners who choose not to have private health insurance. However, this figure has unfortunately risen to approximately 36 per cent of Australian single taxpayers in 2008 paying this levy, a tax that the previous government hoped no-one would pay. It gets worse, with estimates that up to 45 per cent of single taxpayers will be paying this levy by 2011 if the thresholds are not changed.

In my opinion, the opposition, by not supporting this bill and this government’s attempt to ease the pressure on working families, have obviously shown just how out of touch and out of their depth they are with the Australian people. I would certainly invite members of the opposition who do not support this government’s change to come to my electorate of Flynn and to tell the teachers, nurses, police officers, paramedics and others in my electorate earning over $50,000 per year and paying this levy that they are high-income earners and deserve to pay this tax. In my opinion, it is clearly a joke that it is these sorts of Australians who are being hit with this levy. It is blatantly clear that an income of just over $50,000 per year for a single taxpayer is not an excessively high income, so why should we sit back, as the opposition want to do, and let this group of hardworking Australians pay an extra one per cent in tax? This is a tax that working families do not deserve and, quite frankly, cannot afford.

I note with great interest the comments of Professor John Deeble, the driving force behind the engineering of the Australian Medicare system in the 1980s, on the outdated Medicare levy surcharge income thresholds. Professor Deeble comments on the existing income threshold arrangements by saying:
The result is a very high marginal tax rate for people with incomes at or close to the thresholds. We cannot simply sit by and let those hard-working Australians on or near $50,000 pay a high marginal tax rate—and we will not. I do not have to remind this House that there are financial pressures on household budgets today. It saddens me, particularly at this time of year when many of my constituents in Flynn and many in the Australian community generally are waiting for a possible tax refund in the mailbox, that the teachers, nurses and others whom I have previously mentioned may be hit with an additional $500 or so of tax when this money is much needed for other necessary items on the household shopping list. This is why we need to look at the old, outdated and unjust thresholds and ensure that the Medicare levy surcharge remains relevant to the Australian people, remains focused on what was originally intended and is simply not just a misguided tax slug.

In order to help those working families—those teachers, those nurses and others to whom I have referred—this government, through the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008, aims and intends to increase the outdated, out of touch, 11-year-old income thresholds held onto by the former government to $75,000 per annum for singles and $150,000 per annum for families. By increasing the income thresholds for the Medicare levy this government will restore the original purpose of this bill. In doing so, this government will restore equity, balance, fairness and justice back to the system for working families and ease the tax burden on working Australians and their families. The increased income thresholds introduced into the House by this bill will restore fairness to the system, and that is what the Australian taxpayer deserves—a fairer system, a fairer choice and a fair go for all.

This bill will give back to the Australian people a genuine choice as to whether to take out private health insurance or not. This is an important decision that needs to be made by each Australian and their family, taking into account all the other household bills and expenses and, of course, having a look at the many benefits that private health insurance can offer them. It is not the place of this government to force middle-income Australians into buying low-cost, cheap private health insurance policies in an attempt to escape the outdated Medicare levy surcharge, only to find that these policies have little or no use when they are actually needed. This issue was a key finding in the Senate Standing Committee on Economics report on the inquiry into this bill and a key reason for that committee recommending that this bill be passed by the House.

I strongly support any moves by this government to give back to the people of Flynn and Australians generally a genuine option, particularly where health is concerned. As I have often said and will continue to say, ‘If you don’t have your health then you don’t have anything.’ It is estimated that by amending the Medicare levy surcharge threshold for singles from $50,000 to $75,000 under this bill 330,000 Australians will not be liable for the one per cent levy in the 2008-09 year. That is, an additional 330,000 hardworking Australians will be unlocked from this misguided tax, giving immediate tax relief to 330,000 Australians. That is a much needed break for 330,000 Australians and it is a fairer choice for 330,000 more Australians. In my opinion, to block this bill is grossly unfair and the opposition should be ashamed. This bill, when originally announced by the government in
this year’s budget, set the single income levy threshold at $100,000. It is now reintroduced into this House at the level of $75,000 per annum for singles while maintaining the $150,000 per annum threshold for families.

This adjustment has come after extensive consultation with relevant stakeholders and the private health insurance industry. This, I feel, is an important compromise and shows the government’s leadership on this issue and its willingness to listen, to discuss and to get the balance right. Due to the change in the single level threshold since the budget announced back in May, this government will ensure that individuals are in no way disadvantaged from the previous announcement. Under new arrangements introduced into the bill a single taxpayer earning over the $75,000 threshold will have until 1 January 2009 to purchase private health insurance and not be liable for the Medicare levy surcharge for the period 1 July 2008 to 31 December 2008. This consideration will benefit individuals who may either have ceased their private health insurance cover after the May announcement or have taken a new job or gained a salary increase and who have not yet taken out private health insurance.

An important part of this new legislation is the introduction of annual indexation of the single threshold. This indexation will see the single rate increase in $1,000 increments as Australian wages increase. Of course, so too will the family threshold, as it will always be set at twice the amount of the single threshold. This indexation will ensure that the system remains fair, just and equitable and that it will remain relevant to the Australian people today and well into the future.

This indexation of the thresholds will ensure that in a further 11 years time we are not in the same position as we are in today and we are not unfairly burdening the taxpayers of Australia as the opposition would and as is happening today. Had the original Medicare levy surcharge been indexed 11 long years ago, we would today see an income threshold of $67,000 for singles if indexed to CPI and $76,000 for singles if indexed to average weekly earnings.

As a result of these planned amendments we will hear no doubt from the opposition that the bill will put pressure on health insurance premiums. The health minister, who is showing leadership on this issue, has made it quite clear that this bill will not be acceptable as an excuse by health insurers to hike premiums. This government will closely scrutinise and monitor any request by the health insurance industry to raise premiums, and, unlike the previous government, we will not have a simple ‘tick and flick’ response to such requests.

No doubt we will also hear from the opposition that this bill will cause people to discontinue their private health cover. This issue is best answered in the Standing Committee on Economics report, with evidence presented to the committee that the primary motivating factors for people in Australia to take out private health insurance are security, peace of mind and the ability for patients to choose their doctor and to choose in which hospital they will receive their treatment. What this bill does though, as I have said earlier, is give back the right for middle-income earners in Australia to make that choice and unburden them of a tax, labelled as a high marginal tax, which they can simply not afford.

This bill restores fairness to the system and provides the opportunity to unburden 330,000 working Australians of a misdirected tax. It is with confidence in the government’s commitment to the public health system that I commend the Tax Laws Amendment (Medicare Levy Surcharge
Mr JOHNSON (Ryan) (4.26 pm)—As the member for Ryan, I am very pleased to speak on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008 and to follow a colleague from Queensland. But I must say on hearing the presentation by the member for Flynn that I am not sure whether he is very passionate about what he was trying to advocate. If you believe in something, you have to be a bit passionate about it. You have to come in here and say, ‘This is fantastic; this is good for the country; this is good for our constituents.’ I have to say that I am not sure that the member for Flynn gave that very strong impression. I certainly intend to give a very passionate presentation representing the coalition side and, indeed, the side of the people of Ryan.

As we know, this bill is to amend the Medicare Levy Act 1986 and the New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act 1999 in order to increase the Medicare levy surcharge thresholds on annual taxable income from 2008-09 and in subsequent years. The bill proposes that the thresholds be increased for individuals from $50,000 to $75,000 and for families from $100,000 to $150,000, with the family threshold going forward to be double the single threshold.

This is the second attempt by the Rudd Labor government to penalise families and Australians at large for taking up private health insurance. The Labor government has a problem with private health insurance—I am not so sure why—and it is coming through in this piece of legislation.

The bill proposes transitional arrangements so that individuals who obtain private health insurance before 1 January 2009 will avoid liability for the Medicare levy surcharge threshold for the period 1 July 2008 to 31 December 2008. As I said, this is the second attempt by the government to give legislative effect to the 2008-09 budget measure first proposed in a tax laws amendment bill. The earlier bill, as I know that the constituents of Ryan will be all too aware, proposed to increase the Medicare levy surcharge thresholds for individuals from $50,000 to $100,000 and for families from $100,000 to $150,000. These proposed changes to the thresholds attracted considerable public debate and the bill was referred to the Senate Standing Committee on Economics for inquiry. As we know, with the combined position of the coalition and Senator Fielding, the bill was rejected by the Senate on 24 September 2008.

I want to refer to Senator Fielding’s remarks. He is, of course, the Family First senator and he put families first in explaining why he did not support the Rudd Labor government’s ideological assault on the people that he represents. Senator Fielding said:

Most people giving evidence to the Senate committee that examined the increased Medicare levy surcharge thresholds agreed that the increases would lead to people dropping out of health insurance cover, which would lead to increases in the cost of health insurance premiums and would put pressure on public hospitals that are already buckling at the knees with huge waiting lists.

He went on to say:

Evidence to the committee estimated that there would be an increase in health insurance premi-
ums of up to five per cent as a result of changes to the thresholds, let alone other cost increases to the health sector.

He continued:
Families buy health insurance for all sorts of reasons, and price is just one of those factors they take into account, but, in an environment where many families are doing it extremely tough under high mortgage interest rates, high petrol prices and high grocery prices, families are making a significant sacrifice to keep their health insurance. These families, struggling to pay for health insurance, are making a decision in the interests of their loved ones and their own health, but they are also taking some of the burden off the public hospital system.

I say, ‘Hear, hear!’ to Senator Fielding. That was true when he gave his speech in the Senate in September and it is true today. I hear from the government that he is considering a reversal of his position. I am not so sure that he is, but I would say to Senator Fielding that his remarks in the Senate in September are as accurate today as they were then.

I get the impression that Senator Fielding has concerns about the state of the Victorian health system, but, if he were from Queensland, he would be horrified. I notice we have in the chair a member from Victoria, Mr Deputy Speaker Andrews. The previous occupant of the chair, Mr Deputy Speaker Scott, is from Queensland and certainly, as the member for Maranoa, he would agree with me that in Queensland the health system is in a diabolical position. In a moment I will give a couple of examples of the state of complete horror that the Queensland health system is in, because they really are very critical reasons as to why the federal opposition opposes this bill.

The Rudd government predicts some half a million people—583,000 people—will drop their private health insurance, a figure which is down from 644,000. Even with the revised prediction, Access Economics estimates that by 2012 well over one million Australians will have dropped their private health insurance or not taken it out. Access Economics also predicts that, with the thresholds set at $75,000 and $150,000 by 2012, over 770,000 episodes will have been shifted to the public system, a massive extra burden on the already struggling public health system. Coming from Queensland, I want to draw the House’s attention to that. I know that all my Queensland colleagues will agree, certainly the people of Ryan will agree and, indeed, every Queenslander will endorse my statements, my concerns and my anxieties about the state of the Queensland health system.

If you are going to push people off private health insurance, it is only logical that they will go into the public health system. But, if the public health system is in such a mess, all that is going to do is to put a burden on the people that should have first priority in the public health system. I am sure Queenslanders listening will be aghast at the extent to which the Queensland Minister for Health, Mr Robertson, is having to defend the state of Queensland Health. In the interview that he gave on 4BC last Wednesday he hung up on Mike Smith, the 4BC broadcaster, when he could not defend his policies and the state of his oversight of the Queensland health system. When he was interrogated and put under the hammer, the health minister hung up on the 4BC interviewer. It is just astonishing that the health minister, unable to defend his government’s position under scrutiny and under genuine interrogation, hung up on a radio broadcaster.

This is the state of Queensland Health. It is just unbelievable. More than 750 emergency department patients waited at least eight hours for admission to Queensland’s largest public hospital in August. This is not information that the Queensland government has released of its own volition; this had to
be prised from it. A Royal Brisbane and
Women’s Hospital document leaked to the
Queensland opposition reveals that at least
half of the almost 1,600 emergency patients
needing a bed in August had to wait eight
hours or more. I am talking about not just
feeling unwell but emergency need, and
those people had to wait eight hours for a
bed. This is almost double the target that
Queensland Health has set.

I think the comment of the opposition
health spokesman in Queensland is very apt.
Mr Mark McArdle said:
This is just a cold and heartless way to treat very
sick people who desperately need hospitalisation.
If you do not believe what the opposition
spokesman for health said then take it from
someone who is independent. The Chair-
woman of the Australasian College for
Emergency Medicine in Queensland, Dr Syl-
via Andrew-Starkey, said that she had earlier
raised serious concerns about the over-
crowded emergency department. The Queen-
sland government got a heads-up and yet
they ignored it.

I suspect that when the polls come around
in Queensland, the people of Queensland
will be waiting with their baseball bats, cer-
tainly for Mr Robertson and, I suspect, for
many of his colleagues. It is about time too.
The Labor government has been in power
now for nearly 20 uninterrupted years and
this is the state in which we find the Queen-
sland health system. Why is this relevant to
this debate? It is relevant because when peo-
ple go off private health insurance they are
more likely to go onto the public waiting
lists. For those who can take out private
health insurance it is the position of the coa-
tlition to encourage them and to support them
to take out private health insurance.

It stands to reason that people in Queen-
sland are concerned about the state of
Queensland Health when we get this situa-
tion here. The Sunday Mail in Brisbane very
recently, a couple of months ago, revealed
that the Queensland health department—
would you believe this?—counts chairs as
beds. It counts chairs as beds—but not just
chairs. If there is anyone in Queensland lis-
tening to this and saying, ‘This can’t be right.
The member for Ryan must be off his tree
here,’ let me continue. It is not just chairs but
trolleys. Mr Deputy Speaker Andrews, I
know you come from Victoria and perhaps
you are concerned about the state of the
health system in Victoria, but can I assure
you that in Queensland it is much worse. For
anybody in the press gallery who has not
heard this, talk to your Queensland col-
leagues in the gallery, because they will cer-
tainly make it very clear what the situation
is.

Chairs, trolleys, cots, stretchers and—get
this one, anybody listening—lounge suites
are counted as beds in the Queensland health
system. This is absolutely absurd. The
Queensland health data dictionary defines an
‘available bed’ as ‘a bed which is immedi-
ately available to be used by an admitted
patient if required’, and an ‘available bed
alternative’ includes ‘an item of furniture’. This
is just unbelievable. So a bed equals an
item of furniture, and ‘item of furniture’ ex-
pands to include, for example, trolleys and
cots. And there are ‘non-recognised beds’—
in other words, chairs, trolleys, cots, stretch-
ers and lounge suites.

Any Australian that is listening to this will
be shaking their head in absolute disgust.
Goodness! If you are a Queenslander listen-
ting to this, ring up your state member, ring
up the Premier’s office, ring up the health
minister’s office and just give it to them, be-
cause your health depends on efficient ser-
vice. Your family’s health depends on the
capacity of the hospitals and the emergency
services to take care of you. When you go to
hospital and you need a bed, you do not want
to be sitting on a lounge suite. When you go to hospital in Queensland, you do not want to be forced to sit on a chair. When you go to hospital in Queensland, you do not want to be told, ‘Yes, there’s a bed available,’ and find when you look around for a bed that you are then directed to a cot. For goodness sake!

I say to the people of Queensland: get on the telephone and call the Premier’s office. Call the office of the Minister for Health in Queensland, Mr Robertson. Call your local state MP. Of course, if you live in Indooroopilly, call Mr Ronan Lee, your Greens member, who abandoned the Labor Party. Call Mr Ronan Lee. He says that he left the Labor Party in Queensland because he was disgusted at Premier Bligh’s views on the environment. I suspect he could add his disgust at the way that the Queensland Premier and her predecessor governed Queensland when it comes to health matters. Goodness gracious me. I have to say this again, because it is just unbelievable: beds in Queensland hospitals include chairs, trolleys, cots, stretchers and lounge suites.

Let me go on here. This is the interesting bit. The Queensland health minister defended this. The Queensland health minister disagreed that it was misleading the public to identify those things as beds. Where is he? Is he for them being counted as beds or is he against them being counted as beds? The bottom line is that this is from the Queensland health data dictionary, produced by the Queensland health department under the administration of a Labor Premier. And I repeat: Labor have been in power in Queensland for nearly 20 uninterrupted years, from Goss to Beattie and now to Bligh. Interestingly, I had the opportunity of flying down to Canberra today with the former Queensland Premier Wayne Goss, and I suspect that he as well would be absolutely aghast at this. So, Mr Goss, I know you are in the building somewhere. If you are in front of a TV screen and you are listening to this, I am sure you are shaking your head as well.

But why is this relevant? Why is it relevant to the people of Queensland and why is it relevant to the people of Ryan, in the western suburbs, who I represent? Well, it is very relevant to this bill, because you are going to be struggling to get a bed—a real bed, one that you can actually lie down on, one that you can be treated in comfort on. We do not want a six-foot tall patient to be forced to lie in a cot or an elderly lady who needs a bed to be told, ‘Go and sit on that lounge suite over there.’ This is just absurd. Why is this relevant to this bill? Again, it is relevant because, if you take up private health insurance, you are doing a great service to many Australians who need priority in accessing the public health system.

But, if the support of the government is not there, what is going to happen? More likely than not, you are going to leave private health insurance. That is why all members of the coalition can be proud of what the Howard government did in supporting private health insurance, with some 10 million Australians having private health insurance. I encourage them as much as possible to stay in private health insurance, because in a sense this is also a form of service to the country. I note that the Minister for Veterans’ Affairs is in the House. I am sure that in doing the job he does he acknowledges Australians who serve our country, but let me say, Minister, that you must acknowledge all those who take out private health insurance. They are doing a great service for contemporary Australia.

Let us get to a constituent of Ryan and her concern. This is a real person with real concerns. I wish I had more time, but, alas, with only a few minutes to go I am going to have to wrap it up soon—and I am just starting to get into it! I am certainly getting into it in a
passionate way, unlike my Queensland colleague there, the member for Flynn, from the Labor Party. I know that the member for Flynn is new to the parliament and I wish him well in the two years that he has left as the member for Flynn, because we are certainly coming after him. We are coming after you, Member for Flynn! I am sure that you are going to enjoy your time in the parliament in those two years. You are a very passionate guy on the football field, but try and bring that passion into the parliament. Come on! Defend your policies. Get up with vigour and defend them.

A lady called Elizabeth from the western suburbs of Brisbane, from the Ryan electorate, emailed me in May and said:
Dear Mr Johnson,
I am a disability pensioner in your electorate of Ryan. I am seriously concerned that the raising of the Medicare Threshold will increase my private health insurance considerably.
I am already struggling to pay my rent and MBF by cutting down on food, and I would like to know what you are going to do about this situation. I feel that I have a right to choose the doctor/hospital of my choice!
To Elizabeth from the Ryan electorate: thank you very much for your email to me in May after the budget. Of course, as your federal member, I am going in to bat for you.

When I got the opportunity to make contact with Elizabeth, she informed me that she had also contacted the government because she knew that I was in opposition. She was very upset about that too, I might add. The Prime Minister’s office just told her that the Medicare surcharge increase would not affect private health insurance costs. Of course, we all believe in fairies at the bottom of the garden as well! This is just absurd. The Queensland health system is in chaos and the Prime Minister is saying to Elizabeth from the Ryan electorate that the Medicare surcharge increase will not be affected by the private health insurance policy of the government. Really, we were not born yesterday.

I want to say to the people of the western suburbs, the people of Ryan, thank you for all your contact with me. Thank you for your support of the opposition’s position. Certainly the Turnbull opposition is going to take the fight to Labor on their rampant vandalism of private health insurance in this country. Half the population in this country are being hit by Labor and the other half are going to be suffering when pressure is imposed on them when premiums go up because private health funds will need to accommodate that extra loss that will be a consequence of the government’s policy. To the people of Ryan, where there is some 62 per cent uptake of private health insurance: I will continue to bat for you. (Time expired)

Mr SYMON (Deakin) (4.46 pm)—I rise today to speak in support of the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. Unlike the member from Ryan, I am not going to repeat myself on several occasions because I think this can be said once in a cogent way. Back in May this year, when I spoke on the original Medicare levy surcharge thresholds bill, I commented on the effect of the Medicare levy on working single people. I also spoke about the effect of the Medicare levy on working families and spoke of several examples. Both the Liberal and National parties subsequently denied this tax relief to working families and spoke of several examples. Both the Liberal and National parties subsequently denied this tax relief to working singles and working families by voting the original Medicare levy surcharge thresholds bill down in the Senate, so today I am going to highlight just how many people are affected by the actions of the coalition in opposing this well-deserved tax cut.

In 1997-98, the first year of operation of the Medicare levy surcharge, there were 167,330 taxpayers who were hit by this surcharge. By 2005-06, because of no indexa-
tion, the number of taxpayers slugged by the Liberals Medicare levy surcharge had climbed to a massive 465,325. Let me put this on the record here: these are 465,325 people who choose not to have private health cover. They may not want it; they may not feel that they need it. That is their choice and that is their right.

A lot of working people speak with their accountants at tax time and make the decision to take up bare bones private health cover, policies that often have many exclusions and large excesses. Why do they do that? As many accountants will tell them, if the policy costs less than the surcharge that would be payable then the worker is in front. That is a simple equation, but it should not be the determinant of whether you choose to take out private health insurance or not.

Once they have taken up private health insurance, of course, people can claim the 30 per cent private health insurance rebate. That is not affected in any way by the introduction of this bill. In fact, this bill leaves all private health insurance rebates in place at the varying levels of 30 per cent, 35 per cent and 40 per cent, as Labor committed to in the 2007 election campaign. The Rudd Labor government wants to give people incentives to take out private health insurance not hit them up with a tax grab they cannot afford. This bill, when enacted, will bring tax relief to around 330,000 taxpayers.

Let us look at the case if you are a single person and earning the average income of $58,600. Currently you will get slugged with the Liberals’ Medicare levy surcharge tax of one per cent of your taxable income for the year. This does not necessarily come about from working massive amounts of overtime or holding a really well paying job. The threshold is crossed for many who are on award wages and even more who are on enterprise agreements. In this case, that means an extra $586 that has to be paid to the Australian Taxation Office at the end of the year. That is $11.26 out of your pocket each and every week of the year for the privilege of earning an average income.

Working families are also placed in a similar bind. Once their income rises over $100,000, they too are hit with the Liberals’ Medicare levy surcharge. However, as the one per cent surcharge applies to every dollar of taxable income, the extra tax payable is higher. So a family with an income of $105,000 is currently hit with an extra $1,050 of tax each year. That is real dollars out of the pocket and the family budget and off to the tax office. That is $20.19 a week that could be spent on other household needs.

The result of the surcharge applying the way it does is that those who earn just over the threshold limits are severely punished with very high marginal tax rates. When this tax was introduced by the Liberals in 1997, it was meant for high-income earners, but now it hits people earning less than the average wage. If the Medicare levy surcharge had been indexed to CPI since its introduction 11 years ago, the singles threshold would now be $67,000 per annum, not the current limit of $50,000 as imposed by the former coalition government. And, if the Medicare levy surcharge was indexed to the growth in average weekly earnings since the start date of 1 July 1997, the threshold would now be $76,000 per annum, 52 per cent more than the current threshold of $50,000 as currently locked in by the Liberal Party.

At the inquiry of the Senate Standing Committee on Economics into the original Medicare levy surcharge thresholds bill on 31 July this year, the Treasury representative told the committee:

In the absence of any changes to the threshold, we estimate that in 2008-09 about 36 per cent of sin-
gle taxpayers would exceed the threshold and that would go up to 45 per cent of single taxpayers by 2011-12.

This bill introduces annual indexation for the surcharge thresholds based on average weekly ordinary time earnings for both singles and families. Many people forced into the supposed choice of private health cover or paying the Medicare levy surcharge are young adults who are less likely to claim on private health insurance whilst still young.

The Rudd government has allocated an extra $1 billion in funding for public hospitals over this financial year. This is complemented by a $600 million program to reduce elective surgery waiting lists, a program that is delivering results already with 14,000 additional patients having received their surgery this year and another 11,000 patients to go—that is, for this year. The Rudd government has also put substantial investments into primary care designed to keep the pressure off public hospitals.

As I said in the debate on the original Medicare levy surcharge legislation, I believe that this is an issue about choice. Despite the increase in thresholds, it is estimated that most of the individuals and families with incomes between the new and old thresholds will retain their private health cover. And I say this: if the product and service provided by a private health fund is good and relevant to the individual’s or family’s needs then I am sure that the cover will continue.

Many people highly value their private health insurance cover because it gives them peace of mind that their medical and hospital costs will be covered should they need it. Being forced to buy a product you do not want to use or to pay extra tax is not choice. But the Leader of the Opposition and his predecessors in the Howard government left in place the $50,000 threshold that forced working families to take out private health insurance year after year, whether they valued the product or not, just to avoid a tax bill at the end of the year.

Of course, this is the opposite of choice—the opposite of what those on the other side of the House claim to believe in. They talk about being the party of tax cuts, but they oppose this proposed tax relief for at least 330,000 Australian working singles and working families. If the Liberal Party think that $50,000 per year is still a high income, I would really like to see what they think a low or middle income is. They claim that an income of $150,000 per year is not very high and that people in this salary range and above should receive welfare from the government. Remember the baby bonus debate. The opposition cannot have it both ways. If $50,000 per year is a high income, how can $150,000 per year not be? Paying an extra one per cent of your gross income is a significant slug to working singles and families who do not want private health cover. This bill is targeted at bringing relief to working singles and working families. Some individuals could be up to $750 a year better off, whilst some couples could be up to $1,500 better off. The question really has to be asked: why does the opposition want to stand in the way of a tax cut to 330,000 working people?

I support this measure to help working singles and working families choose whether they should spend their money on private health insurance and I commend the bill to the House.

Dr SOUTHCOTT (Boothby) (4.55 pm)—To begin on Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008, I remind the House that there are now 10.9 million Australians who hold private health insurance. We have 44.7 per cent of the population with private health
insurance. It was not always this way. When Labor were last in power, we saw a dramatic decline in the levels of coverage of private health insurance, declining by about two per cent a year. It was approaching the point whereby private health insurance would have been unsustainable. It was a very unstable structure. As each premium rose, there were younger, fitter, healthy people dropping out, which meant that the risk profile of the funds changed. As a consequence there was a vicious cycle whereby people left in the fund were more likely to claim and so it went on.

It was only through taking action that the Howard government was able to stop the decline in private health insurance coverage and to reverse it. This happened principally through three measures: the 30 per cent rebate for private health insurance, which we later increased to 35 per cent for people over 65 and to 40 per cent for people over 70; the Medicare levy surcharge, whereby if people on certain incomes did not have private health insurance they would pay an extra one per cent Medicare levy; and Lifetime Health Cover, which provided that people who did not take out private health insurance over the age of 30 would pay a lifetime additional premium for each year they were out of private health insurance. Those three measures were very important in us now having a very stable and sustainable structure of private health insurance. We have seen the growth of some important groups in private health insurance. In the 12 months to June 2008, 53,513 25- to 29-year-olds took out private health insurance. As most members will know, it is very important that you have a broad representation of the community to have a sustainable structure with private health insurance.

I want to deal with a couple of the arguments the government have presented in favour of this bill. The first one seems to be that this is a tax cut. It is a very unusual tax cut because it saves the government money—$354 million over four years. Most people with any understanding of finance or economics would recognise this for what it is—a tax cut which involves the government giving less to the community over the next four years and adding to the surplus. This is a tax cut which involves the government giving with one hand while taking back with the other. It is the sort of tax cut that the Artful Dodger would be proud of.

Having said that, this is extremely targeted—it only goes to people in a very narrow income band who do not hold private health insurance. When the opposition was in government, we recognised that there were much better ways to target low- and middle-income families and singles. We did it through tax cuts. Look at the tax cuts that were announced almost 12 months ago by the then Treasurer, Peter Costello, and Prime Minister John Howard—tax cuts which were adopted by the then Labor opposition and which came in on 1 July. They were very important for people on average earnings, who got a tax cut of $35 a week, and for average income families, who got a tax cut of about $50 a week. These were very important for what is a very common family structure now: one partner working full-time and one partner working part-time.

This is a tax cut which involves the government building its coffers, so it is not really a tax cut. One of the problems is what the consequences of this poverty decision will be. There are several. The first is that the initial proposal had, on Treasury’s own figures, 644,000 people dropping out of private health insurance. The estimates were that it would principally be young, fit, healthy people dropping out. The argument was that this would not have an impact on public hospitals. But you need to look at the second-round impacts. When younger, fitter and healthier people drop out you will see a
change in the risk profile of the private health funds and, as a consequence of that and that alone, premiums will rise because the remaining core are more likely to make a claim on their private health insurance. There will also be second-round effects just from the premium rises alone. Treasury’s own figures expect 57,000 Australians over 65 to drop private health insurance. These are people who are already getting a very significant private health insurance rebate—35 per cent.

On the amended bill—the government’s new bill—there will still be 583,000 Australians who will drop their private health insurance. So the first impact is that we will have large numbers of people dropping private health insurance. It will change the risk profile of the private health funds and lead to upward pressure on private health premiums for those who remain.

The second impact is what it does to these people who exit private health insurance. Access Economics has estimated that by 2012—in four years time—there will be an extra 770,000 episodes which will have shifted to the public hospital system. So there are very serious consequences of this legislation. Today we heard the Minister for Health and Ageing introduce a new argument. Apparently, when the IMF are calling for tax cuts and payments to be made to individuals to help with the global financial crisis, the minister for health seized on the Medicare levy surcharge bill as an example of a tax cut. Wrong! There is no cash injection into the economy involved with this bill. In fact, it is taking $354 million out of the economy over the next four years. These are the consequences. In the middle of the global financial crisis, Labor’s idea of a tax cut is to take $354 million away from the community—that is the total. We have 583,000 people who will drop their private health insurance, and, if this bill is passed, by 2012 we will see an extra 770,000 episodes in public hospitals. To the extent that younger, healthier people drop out of private health insurance, we will see the private hospital premiums rise. To the extent that older people drop out of private health insurance as a consequence of those premium rises, we will see additional pressure on public hospitals.

This is not the last word on private health insurance. If this bill is passed, we will be revisiting the consequences for many years to come. This is a very short-sighted piece of legislation. It was put in to meet the government’s imperatives during the budget cycle. It will be very damaging to people with private health insurance and it will put additional pressure on the public hospital system. In my own electorate of Boothby, 71 per cent of voters hold private health insurance and 63 per cent have hospital cover. They would expect me, as their representative, to do everything possible to keep downward pressure on private health insurance premiums. They would expect me, as their representative, to do everything possible to keep additional pressure off the public hospital system. That is why, on this side of the House, we have always been very clear about the role that private health insurance plays in keeping pressure off the public hospital system. Labor, for their own ideological reasons, have decided to introduce this bill, which will provide no relief to the community. It actually takes $354 million away from the community over the next four years. It will lead to premiums rising, and it will lead to more people using the public hospital system. I will be voting against this bill for obvious reasons.

Ms King (Ballarat) (5.07 pm)—I rise today to speak in support of the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. I note with
some irony the member for Boothby’s absolute defence of his government’s record of somehow keeping private health insurance premiums down. Correct me if I am wrong here, but I do not remember private health insurance premiums going down in the 11 years of the previous government. We had the member for Boothby saying in this place that it is incumbent upon him as an elected representative to ensure that his constituents are represented and to apply as much pressure as he can to ensure that private health insurance premiums go down. We have been in government nine months. Obviously, the world did not start nine months ago. There were 11 years of the Howard government and private health insurance premiums did not go down. Not only did they not go down; they went up by substantial amounts and increasingly a gap emerged between the sorts of things that people thought they were paying for and what they actually got. The member for Boothby came in here and said it is incredibly important for him to ensure that private health insurance premiums do not go up. Well, where was he over the last 11 years?

This bill brings about a change to the Medicare levy surcharge thresholds. It is a change that is long overdue. Families in my own district have been sending the same message to me since I was elected. They tell me that their household budgets are tight. It is no secret that childcare costs are draining family budgets, grocery prices are pressing firmly on hip pockets and petrol prices and rising mortgage stress are at the forefront of most families’ minds. That is why this government has introduced this bill into the House. We are conscious that there are a broad range of cost pressures on Australian families. This bill will deliver tax relief to some 330,000 Australians. This bill is another example of this government’s commitment to assist hardworking families across Australia who are struggling with their household budgets.

When the Medicare levy surcharge was originally introduced by the former Liberal government the aim was—and it was a good policy aim—to provide incentive to high-income earners to take out private hospital cover. That was the principle behind the policy. We subsequently found out that the $50,000 threshold was not determined by any scientific analysis of what constituted a high-income earner at the time—some 11 years ago now. In fact, that threshold was calculated over a bottle of whisky by the then Minister for Health and Family Services, Michael Wooldridge. It is pretty outrageous. This $50,000 was carved in stone, not to be changed or indexed over the subsequent 11 years. That $50,000 that was determined over a bottle of whisky some 11 years ago was set in stone.

How long did members opposite expect the current levels to hit only high-income earners? In its current form the surcharge eats away at the hip pockets of families who are earning less than the average wage. The former government introduced the thresholds that have been laid down in concrete for some 11 years. Not once have they been changed. At present the threshold for singles is $50,000 and for couples and families it is $100,000. Residents in my own electorate of Ballarat will assure members of the opposition that $50,000 is not a high income. The Medicare levy surcharge is hitting the hardworking residents of my district who are earning less than average wages.

The Liberal government failed to adjust the thresholds and members opposite should explain to residents of my community why they allowed this tax trap to continue. This is reflected by the number of people who are now subject to pay this surcharge. In 1997 there were 167,000 people paying the sur-
charge. By 2005-06 it had risen to 465,000 people. Let us look at those figures again: in 1997 there were 167,000 people and less than 10 years later there were a staggering 465,000 people caught in this tax trap. Should we believe that in those 10 years 298,000 taxpayers became highly paid and started living a life of luxury? Not in my electorate.

The threshold has not kept pace with the rising cost of living. The previous government took their finger off the pulse of ordinary Australians. The Medicare levy surcharge was not meant to hit families on average wages. It was never designed to do that. The surcharge needs to change. I, along with all members of the government, am determined to deliver tax relief to families in my electorate and to all families right across Australia who are struggling on average wages. We are determined to pass this bill. We are prepared to give the Australian people certainty when looking at our country’s budget.

Since we announced our intention to amend this tax we have received varying opinions and opposition to our proposed changes, particularly from those opposite. Members opposite opposed the tax relief for those hardworking Australian families that was in the original bill put before the Senate. The Rudd Labor government is determined to pass its budget measures in full. We are determined to protect the budget surplus. We have had detailed consultation with stakeholders with the intention to introduce this new bill, which we hoped would be supported by both parties but clearly is not.

We are proposing new thresholds for the Medicare levy surcharge. In this new proposal we plan to increase the threshold for singles from $50,000 to $75,000. Our previous proposal announced in the budget aimed to lift the threshold for singles to $100,000. Because of the opposition of the Liberal and National parties we have been unable to successfully do that. The intention of the former proposal was to move the tax that crept down over time from high-income earners to ordinary Australians on average wages. We received opposition from the Liberal Party, who saw to it that we could not provide tax relief to as many families as we had hoped.

Our government has continued consultation with stakeholders, and today we are debating our negotiated proposal. This change is a measured proposal that will provide relief to hardworking Australians on average wages. It will help compensate for the continual increased costs of living I mentioned earlier—increases in childcare costs, groceries, petrol and mortgages: essential services the average Australian family relies upon and basic living necessities. Aside from increasing the threshold for singles to $75,000, this bill retains our original commitment to lift the Medicare levy surcharge for families from $100,000 to $150,000.

Combined, these two measures will provide immediate tax relief to some 330,000 Australians—330,000 Australians that are not classed as high-income earners. These amended thresholds are sensible and closely resemble the levels proposed by other groups within Australia. The Australian Private Hospitals Association and Access Economics have both suggested rates that closely resemble those proposed by the government in this bill.

In addition to the threshold changes for the Medicare levy surcharge, the government’s proposal will also see the singles threshold indexed each year, which means that the situation we are currently in, where the $50,000 threshold seems to have been set in concrete for the last 11 years, will not occur again. We have done this because mem-
bers on this side of the House recognise that wages do change and that this should be reflected in the Medicare levy surcharge thresholds.

I support this bill because it provides tax relief for some 330,000 Australians—and it does provide that relief. Any members opposite who try to say that the 330,000 Australians who will receive that tax relief are not going to benefit somehow or that, as we heard from the member for Boothby, it is somehow not real money, or not real tax relief, have got to be kidding themselves. I support this bill because it is a measured and responsible approach that assists households struggling to meet the many demands that are placed on their household budgets.

The bill will not only amend the thresholds for the Medicare levy surcharge but will also amend the legislation so that the thresholds are indexed. This will make sure that next year, the year after that and continually into the future this bill will be relevant and up to date with the wages of Australian working families. Since the introduction of the Medicare levy surcharge, we have seen hardworking Australians being sucked into a tax trap that the previous government laid for them. In this bill, the government adjusts the current thresholds to appropriate levels and has put measures in place to remove the trap that taxpayers would have faced otherwise into the future. I urge members opposite to support the bill.

The Rudd government is supportive of tax relief for hundreds of thousands of Australians. If the Liberal Party do not support this bill—and they have indicated that they will not support it—then the opposition clearly do not support tax relief for those families. We had the Leader of the Opposition and the shadow Treasurer today in question time calling for tax relief in the context of the global crisis. Today they have the opportunity right before them, some few hours after question time when they raised this as an issue, to actually support tax relief for Australian families. It is incumbent upon them to support this bill if they believe what they said in question time, that tax relief for Australian families is absolutely necessary in the current context of a global crisis. I commend the bill to the House.

Mr ROBERT (Fadden) (5.17 pm)—I rise to add my voice to absolutely and categorically not support the revised Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008 before the House. I do so because this has nothing to do with improved health outcomes. This is simply a budget measure. We hear the member for Ballarat talk about a tax trap eating at the hip pocket and that she is determined to deliver tax relief, when this moribund government in its budget increased taxes by $19.8 billion. This government brought in almost $20 billion in new taxes in its first, and I am sure only, term, yet the member for Ballarat rolls out the statement that she is determined to deliver tax relief and that, if we do not support it, clearly we do not believe in tax relief. It is farcical and ludicrous in the extreme.

Mr Rudd wanted to fund his promises through cuts and through $20 billion in new taxes. Not that he told anyone prior to the election but he wanted to do it so he could claim the mantle of an economic conservative. It is interesting that he felt he needed to massively increase taxes and fund election promises through those cuts if he were to claim that mantle of economic conservatism. Clearly he was looking back to the dreadful days and the appalling legacy of Keating to this nation: $96 billion in debt, $8 billion in interest payments per annum and a $60 billion hole in unfunded superannuation liabilities. Keating almost destroyed the nation.
What is worse is that the Labor Party were planning to change the threshold levels even before they won the election but failed to inform the voting public. In fact, the health minister’s office stated that they would not release details during the election campaign. Thus, considering the harm that this legislation will enact, its passing would be a travesty. The original legislation sought to change the thresholds where the Medicare levy surcharge kicked in—for singles, from $50,000 to $100,000 and, for couples, from $100,000 to $150,000. The government’s initial estimates showed, when the thresholds were set at $100,000 and $150,000 accordingly, that 485,000 people would drop their private health insurance. This modelling only included adults, not children or dependants. Once they were included, the government predicted 644,000 people would leave.

A range of organisations, including Access Economics and PricewaterhouseCoopers, have estimated that anywhere up to a million people will leave private health insurance because of these measures. The Rudd government has maintained that it will be young, healthy people who will drop their insurance first, but, as premium prices increase, we know the biggest losers will be those on fixed incomes, especially pensioners. Older Australians are the biggest claimants on private health insurance. Many of these are pensioners who—despite an increase in the cost of living and the government’s complete recalcitrance in providing any relief through supporting the opposition’s $30-a-week increase for single pensioners and veterans—continue to maintain their health insurance despite their budgetary constraints.

Treasury has revealed it expects 57,000 Australians who are 65 years or older to drop their private health insurance, based on the initial legislation. The Rudd government, though, faced with its proposal’s inability to gain passage through the Senate, introduced the revised legislation to the House with a new level of $75,000 for singles and an unchanged level of $150,000 for couples. The government predicts 583,000 people will drop their private health insurance—down from 644,000. Even with the revised levels, Access Economics estimates that by 2012 well over one million Australians will have dropped their insurance or will not take it out.

Access Economics also predicts that, with the thresholds set at $75,000 and $150,000 respectively, by 2012 over 770,000 episodes of care will have shifted to the public system—a massive extra burden on the already struggling, and indeed failing, public health system. The initial legislation would save the government $300 million over four years; the new legislation, $354 million.

By way of history, I can say that in 1997 the coalition government introduced the then Medicare levy surcharge to tackle the low level of private health insurance coverage. Under these measures there has been a 10.8 per cent increase in private health insurance participation levels, from 33.9 per cent to 44.7 per cent. This is the result of three initiatives designed to work together: firstly, the 30 per cent rebate; secondly, Lifetime Health Cover; and, thirdly, the Medicare levy surcharge.

The latest data from the Private Health Insurance Administration Council show that 10.9 million Australians, or 44.7 per cent of the population, were covered by private health insurance. Significantly, in the 12 months to June this year, the biggest growth of any age group was in 25- to 29-year-olds, with an increase of over 53,000 people. These are the people the Rudd government expects to drop their coverage—reducing the pool of people, which will result in increased premiums and a greater load on an already strained public health system.
Yet it is the impact of this legislation that is of such profound concern. Those who leave private health insurance will need to rely on the public system. There is no plainer statement of fact. Short of dying a lonely, miserable death in their own homes, patients will go to the public health system. Yet the government has not provided any extra funding for the public system to cope with the predicted and absolutely sure influx of patients.

During the Senate inquiry, the Western Australian government stated that people dropping insurance would lead to higher hospital costs in the magnitude of over $50 million per year. That is just one year for one state. The government has offered no compensation for the public hospitals and in fact did not even conduct any modelling on these so-called second-round effects. It did not speak to the National Health and Medical Research Council. It did not speak to any of the states. I do not think the government even spoke to its own health minister. This was simply a move by Treasury because Mr Rudd, the Prime Minister, wanted to make a range of savings and tax increases so he could claim some mantle of being an economic conservative.

The government is trying to save money—with a $22 billion surplus left for them and a $20 billion surplus from the preceding year. These changes would see a reduction in revenue of $660 million but a government saving of $960-odd million. I can only conclude, by looking at the evidence, that the Labor government, considering the $22 billion surplus and looking to save $300 million, just does not like private health insurance.

Here are the facts to support it. Private hospitals treat four out of every 10 admitted patients in Australia, representing nearly one-third of all days in hospitals. Private hospitals perform the majority of surgery—56 per cent. In my electorate of Fadden on the Gold Coast, the fastest growing electorate in the nation, there are 49,724 people with private health insurance. With predictions that almost 10 per cent of insured people will drop out of the system, that is almost 5,000 people dropping out who will then be required to go into the public system. We only have one public hospital on the Gold Coast. That is it. There is only one place to go.

Let us look at the wider public health system—the one that is being prevailed upon, the one that has been governed by the Labor states over nearly the last decade. Let us look at Queensland Health, which has had 18 years of Labor government authority out of the last 20. Let us look at Queensland Health, that incredible organisation of efficiency and effectiveness. Let us particularly focus on their quarterly public hospital performance report for the March quarter of this year. The Gold Coast Hospital is the only public hospital that services the sixth-largest city in the nation. With at least 5,000 people in my electorate and a similar number in the electorates of McPherson and Moncrieff, 15,000 more people will draw on the requirements and services of the lone Gold Coast Hospital because of this bit of moribund legislation.

The Gold Coast Hospital has the third-highest number of people admitted to hospital in Queensland: 17,344. It services the most people in Queensland in an emergency department: 24,613, which is 30 per cent more than the next highest hospital, Royal Brisbane. The Gold Coast Hospital performed 2,650 elective surgeries, coming third after Royal Brisbane and Princess Alexander hospitals.

Whilst the move on the Medicare surcharge will throw at least 15,000 people in
the three electorates on the Gold Coast—and as many as half a million people across the nation—into the public system, let us look at the elective surgery numbers now and the impact of this move. According to Queensland Health’s March quarterly service report, right now in Queensland there are just over 36,000 people on waiting lists and a further 159,000 people waiting to get on the waiting list. And this government thinks it economically prudent, socially right and medically the best thing to do to raise a surcharge and push more people onto public hospitals! How much bigger does this government want the waiting list, and the list of people waiting to get on the waiting list, to grow? There are 36,000 waiting and 159,000 people in Queensland waiting just to get on the waiting list—and this government brings forward legislation such as this. It would be ludicrous—it would just be absolutely funny—if what they were trying to do were not so tragic.

Leaked Queensland Health data on Queensland’s biggest emergency departments show the number of sick people waiting more than eight hours in the Queensland government’s emergency queues to get a hospital bed has doubled in the last five years, all under a Labor government’s watch. I can only assume Labor is proud. ‘Access block’ is the term that describes the delay that patients who need to be admitted to hospital experience in the emergency departments when their in-patient bed is not available. Queensland Health access block data count the number of seriously ill people who wait eight hours or more in the emergency department or outside on an ambulance trolley for a hospital bed.

The Australasian College for Emergency Medicine likens the growing emergency department crisis to the national road toll, with recent studies showing a 20 to 30 per cent excess mortality rate caused by access block and emergency department overcrowding—about 1½ thousand deaths per year, at 2003 levels of access block. The Gold Coast emergency department is one of those at crisis point, with 27 per cent of emergency department patients caught in access block in 2003-04, growing to 44 per cent in the 2007-08 financial year. The Rudd government wants to send more Australians to the Gold Coast emergency department, where 44 per cent of the people who walk, crawl or are carried through those emergency department doors are either laying on trolleys or stretchers in the emergency department or in ambulances outside. The Australasian College for Emergency Medicine says that if you are access blocked, if you are lying on stretchers and trolleys, you have a 20 to 30 per cent higher chance of dying.

Despite those facts, which are appalling in their own right, this government wants to send over half a million people, 770,000 more episodes of care, into that already strained and overcrowded public hospital system. Is this a joke? Are you absolutely kidding the Australian people? How can you possibly look at those statistics and say, ‘You know what; it makes sense to put more people into those emergency departments, even though 44 per cent are waiting over eight hours or more and those 44 per cent of people have a 20 to 30 per cent chance of dying because of it’? You think it is wise to increase the number of people in that situation?

The major cause of access block and emergency department overcrowding is a lack of available hospital beds. This is because there has been a decrease in the number of real hospital beds in Queensland in the last decade, despite a major increase in population and clearly lots and lots of advertising. When the Beattie government took control of the state’s public hospital system in 1997-98, there were 10,809 hospital beds in Queensland. Ten years later, in 2008-09, the Queen-
sland budget shows there are 10,234 hospital beds—575 less. The embattled Minister for Health, Stephen Robertson, has since revealed that, of those 10,234 hospital beds, 1,370, or about 14 per cent, are not actually beds. They are chairs, trolleys, cots, stretchers and lounge suites. In 10 years the Labor state government have done an extraordinary thing: they have reduced the number of hospital beds by 700; they have made 14 per cent of them chairs, trolleys, cots, stretchers and lounge suites; and they have made 44 per cent of people going to the emergency department at the Gold Coast Hospital wait for eight hours or more on a trolley or cot or in an ambulance.

According to the Australasian College of Emergency Medicine, those 44 per cent of people have a 20 to 30 per cent greater chance of mortality, of dying, because of the situation they are put in, which is because of what Labor have done in the hospitals. This is the report card. This is the legacy. This is what the Queensland state Labor government have achieved in a decade. And their colleagues in power, the federal Labor government, want to push up to half a million Australians across the nation, and just under 100,000 Queenslanders, into that system with this bit of legislation. That is a legacy this government will not live down in a hurry.

Queensland Health nonsense does not stop there. A constituent recently let me know that she is trying to salary-sacrifice as a casual employee of Queensland Health. She is over 65 and wants to salary-sacrifice into super to take advantage of the tax benefits. Under the current Queensland Health ruling, you have to have been a casual on regular hours for 12 months before you can do this. The lady in question is a health professional, a mammographer, who sought to come out of retirement as an independent retiree—with no source of income from the government—because she is deeply concerned about the health of Gold Coast women and wants to assist them with her skills as a mammographer. Yet Queensland Health has told her: ‘We’re sorry—you can come, but as a casual you can’t salary-sacrifice into super. We know it’s not worth your while, but that’s just the way it is.’ There is a chronic shortage of professionals in Queensland Health and this is what constituents are told.

Queensland Health is a joke turning into an aberration turning into 10 years of dreadful policy failure. Notwithstanding that and the issues in the public system, the government are seeking to move legislation that will force many more Queenslanders into that ailing public system simply because they as a Labor government dislike private health insurance and because the Prime Minister wants to claim a mantle of economic conservatism and so has driven a whole range of tax increases and cuts to effect that. I do not think the people of Queensland or indeed the people of this nation should have to suffer in an overcrowded public health system because of the arrogance of the Prime Minister and his desperate desire to rid himself of the horror of the past Keating government and its economic excesses to try and claim what is a hollow mantle. The legislation is not supported. It should not gain passage through the houses. It should be deplored by all.

Mr Gibbons (Bendigo) (5.37 pm)—We are debating this Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008 at a time of unprecedented turmoil in the world’s financial markets. I think it is worth spending a little time looking at the current situation—the situation we find ourselves in. It just underscores why it is so important that this legislation be passed not only by this House but also by the Senate, and why it is so bewildering that those opposite in the Senate are going to oppose it.
After a lifetime of slavish devotion to the invisible hand of the free market by the parties opposite, it is fascinating to watch them as the enormity of current events starts to sink in. Deregulation and unfettered free markets are delivering just what they always have in the past: chaos, concern and uncertainty for ordinary working people. And time and time again in our history, free markets have been found wanting. And time and time again the private sector has demonstrated that it cannot be trusted to exercise moral and social responsibility, it cannot be trusted to regulate itself and control its own excesses and it cannot be trusted to operate in anyone’s best interest other than its own. And time and time again the private sector has had to be bailed out by government—by taxpayers—which of course means that they have to be bailed out by the ordinary working people of the world.

Extraordinary measures have been taken to bring stability to the financial markets. Banks have been nationalised around the world. Shotgun marriages have been arranged to rescue teetering institutions from oblivion. Things are so bad that the banks will not even lend to each other, and governments everywhere have to guarantee bank deposits and borrowings. And, even though Australia’s banking institutions remain sound, well capitalised and profitable, our government has been forced to guarantee our banks so that they can remain competitive in the global financial markets.

The world’s largest economy has been brought to its knees by unscrupulous and incompetent bankers whose freedom to lend money to people who could not afford to repay it and to take risks they could not manage was encouraged increasingly by deregulation. And the Liberal Party, under the extreme economic policies of John Howard and the member for Higgins, tried to take this country down the same path as their neoconervative heroes in the United States. Deregulation and privatisation were the answer for everything: for telecommunications and teaching, for railways and roads, for highways and health care. If it was possible to divert investment away from public assets and services and into the hands of the private sector, the Liberals and their agrarian socialist sidekicks would find a way. Even when the private sector could not remain in business, by delivering required services at an acceptable price, the coalition would not invest so that the public sector could fill the gap. No, the Howard-Costello answer was always to subsidise the private sector and claim that this would take the pressure off the public sector—the public sector that they continued to starve of funding.

Fortunately, this madness has come to a halt with the election of the Labor government. The Australian people are not stupid, and when John Howard forced through his unfair Work Choices legislation without an election mandate, voters said, ‘Enough is enough.’ They recognised that the coalition’s deregulation of the workplace was a step back to Victorian times. They did not believe the Howard government when it said, ‘All this regulation to protect workers’ basic conditions and rights is not necessary.’ They did not believe the Howard government when it said employers could be trusted to behave ethically and honestly. They did not believe the Howard government when it said the private sector would control the excesses of its more extreme members. And they were right.

We have already seen how that approach led to the current global financial meltdown and we are indeed lucky that the Australian people saw through the coalition when they did. Of course there are some members opposite who still do not accept the voters’ verdict. The shadow Treasurer, for example, still pines for the individual workplace agree-
ments and the exclusion of trade unions from negotiating on behalf of ordinary working Australians. She was also one of the ministers who drove the Liberals’ free market philosophy into the education sector—a philosophy of subsidising the private sector and underfunding the public sector education system.

We saw the results of this in last week’s economic survey of Australia by the OECD. Its report said we spend less than those countries that invest the most in their education systems. The reading ability of Australian children dropped significantly between 2003 and 2006, and our underinvestment in preschool education was particularly highlighted. Only 42 per cent of children aged three to four are in formal education programs here, compared to 90 per cent of children in Belgium, France, Germany and New Zealand. Not only is this morally wrong but it makes no economic sense. As an advanced post-industrial economy Australia’s path to continued prosperity in the 21st century is critically dependent on the skills and education of its workforce. A decade of the Howard government’s education policies has put us behind and it will take Labor’s education revolution to get us back on track.

Labor is also fixing Australia’s public healthcare system after more than 10 years of underfunding by the Howard government. This includes the $10 billion fund to equip Australia’s health and hospital system for the future. This is the single biggest investment in health infrastructure ever made by an Australian government. It will fund investments in health and hospital facilities, medical technology and equipment, and major medical research facilities. Labor’s other healthcare commitments include up to $600 million to clear elective surgery waiting lists, $780 million for dental health and $275 million for GP superclinics—investments that are badly needed to rectify the Howard government’s neglect of the public healthcare system.

Nowhere is the Liberals’ slavish devotion to the private sector more obvious than with its Medicare levy surcharge. This was introduced as the demands of an increasingly ageing population were showing up the inadequacy of the Howard government’s funding of the public healthcare system. Instead of investing more in the public hospitals that they had been underfunding for years, the coalition’s answer was crass, ideologically driven legislation—legislation that was nothing more than a blatant attempt to force more people into private health care. In the eyes of the coalition, access to affordable health care is not a right to be enjoyed by all Australians; it is a privilege that has to be paid for. And, if you are earning less than the average wage and you cannot afford to buy your health care from the private sector, the coalition would hit you with an additional tax charge.

Of course, the spin was a bit different when the Medicare levy surcharge was introduced. The surcharge was meant to apply to high-income earners to encourage them to take out private health insurance. The rationale was that those who could afford to take out private health insurance should be encouraged to do so. The member for Higgins even said at the time that he hoped it was a tax no-one would ever have to pay. The only problem was that he and John Howard thought that someone earning just $50,000 a year, or a working couple earning $100,000 a year between them, were rich. Well, they were not rich then, and they certainly are not rich on those incomes today. The Liberals’ failure to index these thresholds when they were in government, and their refusal to support doing so now, brings into question whether they ever intended the surcharge to be a tax on only high-income earners in the first place.
Look at the massive increase in the numbers of people paying the surcharge since its introduction in July 1997. In its first year, 167,000 people paid the surcharge. By 2001, this had risen to 198,000. By 2003, 282,000 people were being slugged by the Howard government. By 2006, an incredible 465,000 people were swelling the government coffers. Almost three times the number of people that were originally targeted are now paying this Howard government tax on the lower paid. It is incomprehensible that the Liberal Party continues to support slugging working families with a tax that it claims was only ever meant to apply to high-income earners.

The government announced in this year’s budget that it would raise the Medicare levy surcharge thresholds from $50,000 for individuals and $100,000 for couples and families to $100,000 and $150,000 respectively. The government estimates that this would have taken some 455,000 working Australians out of this Liberal tax trap, but the ideological intransigence of those opposite and their traditional willingness to use the Senate to block legitimate budget measures by the elected government means we are back here debating this issue for a second time. This new bill proposes an increase in the thresholds to $75,000 for individuals and $150,000 for couples and families. These thresholds will be indexed to wages growth in the future. This will provide tax relief to some 330,000 taxpayers, not as many as Labor would have liked, and those who will miss out on a tax cut can blame the opposition. It now ought to be inconceivable that the opposition will not support this bill. The surcharge is their own policy, after all. The threshold proposed in the current bill would effectively raise the surcharge to what it would have been had it been indexed from the start. There is considerable stakeholder support for the proposal. The Australian Private Hospitals Association recommends thresholds of $76,000 and $152,000 with indexing thereafter. Access Economics has told the Australian Medical Association that thresholds of $70,000 and $140,000 respectively would restore the system to its original levels in real terms.

Then there is the issue of individual choice, a philosophy that the Liberal Party claim as their own. They certainly did not give lower income taxpayers any choice when they introduced the surcharge. Low-income taxpayers had no choice about whether to take out private health insurance or not. 'If you won’t pay up to our mates in the private health sector, we’ll hit you with another tax,’ the Liberals said. It sounds to me more like one of those offers from Don Corleone that you cannot really refuse. High taxes and no choice is what the coalition parties really stand for. Labor is the party of choice and low taxes. It is Labor that will give working families a real choice about whether they wish to take out private health insurance and Labor will not tax them if they cannot afford to.

Working families were doing it tough under the coalition. The cost of mortgages and rents spiralled as John Howard’s reckless spending policies drove up inflation and alarmed even his own Treasurer. The prices of groceries, petrol, education and health care all rocketed under the Liberals, and now the Liberals continue to block tax cuts for working Australians by not passing budget measures in the Senate. It is incomprehensible that the Liberal Party remains opposed to putting $600 in the pocket of someone earning $60,000 a year who is currently forced to pay the Medicare levy surcharge.

The global financial turmoil that I spoke about earlier will inevitably have an impact on this country. While we are better placed than some other countries to ride out the
coming storm, there is bound to be economic uncertainty for some considerable time to come. This is even more reason to give low-income working Australians a financial buffer in the form of this tax cut. It is always possible that the Liberal Party will continue to oppose any tax cuts for the lower paid, because this is the party that for 11 years was the highest taxing government in Australia’s history. This is the party that is now desperately trying to reform itself and its policy platform to have at least some relevance to the needs and aspirations of Australians in the 21st century. This is a major undertaking; it will no doubt take some time before the warring factions on the Right can reach some common ground.

We all remember the revolving door to the Leader of the Opposition’s office during the 1980s, and it is spinning just as quickly two decades later. In less than a year on the opposition benches, the coalition has already seen two leaders, and there is always the menacing shadow of the member for Higgins stalking the back bench. But, while the Liberals try to get their act together, there is absolutely no justification for them preventing this Labor government, duly elected with an overwhelming mandate, implementing its program of help and support for working families, particularly in light of the worsening economic outlook.

Mr Abbott—Mr Deputy Speaker, I take a point of order on relevance: this has nothing to do with the legislation that is currently before the House and I think the member should be asked to bring his remarks back to the legislation.

The DEPUTY SPEAKER (Hon. AR Bevis)—Whilst I have some sympathy for the point made by the member for Warringah, I recall listening to the last eight or 10 minutes of the contribution from the member for Fadden, where there were about 90 seconds that could be said to be relevant to the bill. Most of it was about the Queensland health system. There has been a fairly broad-ranging debate. That said, I encourage the member for Bendigo to bring himself closer to the parameters of the debate.

Mr Gibbons—I certainly will. It is completely unconscionable for the opposition to keep working Australians from receiving this modest but welcome tax cut. This new Medicare levy surcharge bill is sensible, reasonable and responsible. I strongly support the bill and I call on those opposite to do so without amendment both in this House and in the Senate.

Mrs May (McPherson) (5.51 pm)—The Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008 is the second bill the government has introduced to seek to increase the Medicare levy surcharge thresholds for individuals and for families. The coalition opposed the initial proposed changes to the Medicare levy surcharge threshold and we will be opposing this second attempt at the bill to increase the Medicare levy surcharge thresholds on taxable annual income. Let us be clear about this: the Senate voted down the government’s first bill of proposed Medicare levy surcharge changes on 24 September because it would have hurt the most vulnerable in the community, forcing up private health insurance premiums and blowing out public hospital waiting lists.

The legislation is fundamentally flawed. This second bill, amended slightly with higher income thresholds, will still adversely affect older Australians—those people on fixed incomes, those who are in most need of a robust health system. This bill proposes that singles earning up to $75,000 per annum and couples earning up to $150,000 per annum will be able to opt out of private health cover without incurring the Medicare levy
surcharge. These changes will see people drop out of private health insurance in vast numbers, leading to higher premiums and increased usage of our public health system—a public health system that is already straining and already not delivering. The bill we are debating affects an already stretched public health system, as I have said. It fails the Australian public now. It is going to continue to fail all Australians if this bill is passed through this House because the public health system will not be able to cope with the increased numbers of Australians on those public waiting lists.

We already have ineffective state Labor governments demanding a federal bailout of their failing health systems. Yet the Prime Minister, the man who promised to end the blame game, is pursuing legislation that will hit the public health system hard, increasing waiting lists. People will have to wait for surgery. In time I have no doubt that, stretched to the limit, we are going to see a compromise in the type of health care and the levels of health care that are delivered to all Australians. The budget papers reveal an expected saving in 2008-09 in reduced expenditure on the private health insurance rebate. Make no mistake about it, this bill is not about a tax cut for battling Australians; it is about saving dollars for the Rudd government.

Private health insurance participation levels under the Howard government rose to 44.7 per cent as a result of three initiatives designed to work together: the 30 per cent rebate, Lifetime Health Cover and the Medicare levy surcharge. In August this year the Private Health Insurance Administration Council released figures showing a record 10.9 million Australians held private health insurance. These figures demonstrate that people want choice when it comes to health care. In contrast, this bill translates to a reduction in private health insurance participation of close to 600,000 people, on government estimates. Access Economics estimates that by 2012, even with revised thresholds, up to one million people will leave private health insurance or not take it out. Further, Treasury has revealed that it expects around 57,000 Australians aged 65 or over will drop their private health insurance. What these figures translate to in real terms is more hardship for our older Australians. Those people on fixed incomes, our pensioners and self-funded retirees, will be the hardest hit, and these are the people who need to keep their private health insurance. Is this the legislation legacy the Rudd government is aiming for—to leave pensioners in the lurch when they need it the most?

Cost of living pressures are biting hard for pensioners, and with so many expected to drop private health insurance it is only a matter of time before premiums rise for the older Australians who do retain their cover. Older Australians are the biggest claimants on private health insurance and often they keep private health cover while forgoing other spending to ensure they will not be on public hospital waiting lists for long periods of time. If premiums increase—and they are predicted to rise by up to 10 per cent—due to a decrease in private health insurance membership then those on fixed incomes may be forced to give up their private health cover, causing a real crisis in public health in Australia. The comfort and security that elderly and chronically ill Australians had through affordable health insurance is at serious risk with the introduction of this bill.

The Rudd government has made it abundantly clear that it does not care for the welfare of older Australians. It has sidelined and ignored them since winning office last year, and this latest abandonment cannot be allowed to go unchallenged. This bill in no way assists older Australians, self-funded retirees, carers and families on low incomes.
In reality it is a hazardous measure, as it undermines the health and security of people on fixed incomes, particularly older Australians—those Australians who need health care the most. These people will have to make a choice between the increased cost of private health insurance or sitting on a long public hospital waiting list. Unfortunately, the stretched budgets of Australian families will win out in many homes, as Australians on fixed incomes need to maintain a measure of modest living standards and the cost of increased premiums will in many cases price them out of the market.

I strongly oppose this bill. It is backwards policy and an added burden on a public health system that is already on its knees. The Prime Minister promised to end the blame game, so I cannot understand his logic in putting further pressure on the struggling public health system, on our public hospitals. I would be very surprised if there were one state health minister in this country who supported the initiatives in this bill. Australia is facing considerable challenges with its ageing population. Rather than implementing policy that will help meet those challenges, this measure jeopardises the health and well-being of older Australians, Australians on low incomes, those on fixed incomes, self-funded retirees and pensioners. The changes will see a reduction in revenue of around $660 million but a government expenditure saving of $960 million, as it will not have to pay the 30 per cent rebate. Overall this will result in a saving of $300 million.

Does the Rudd government really want to penny pinch on legislation that affects those with the least amount of disposable income? In the current financial climate older Australians need the government’s support more than ever. No matter how the Rudd government tries to spin this one, it is older Australians who will ultimately suffer. If they stay in private health insurance then they will face increased premiums and if they drop out then they will face long public hospital waiting lists. Older Australians deserve better. I challenge this government to think hard about what they will do to support those on fixed incomes, who are struggling to meet rising costs of living and the rising cost of groceries and who now will also be worried about their health and wellbeing. There was no mandate for this legislation at the last election. In fact, the Prime Minister did not share his legislation with the Australian public before going to the election last year. He does not have a mandate to introduce this legislation, and those of us on this side of the House will be opposing the legislation for the same reasons we did the first time.

Mr HALE (Solomon) (6.00 pm)—I rise today to make my contribution to this debate on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. The Medicare levy surcharge is a one per cent increase on top of the Medicare levy for individuals and families who do not have private hospital cover. The thresholds are currently set at $50,000 for individuals and $100,000 for couples and families. This bill will increase the thresholds to $75,000 for individuals and $150,000 for couples and families. Importantly, it will also index these thresholds against wages growth in the future. It is a vital bill because, among other things, it will deliver tax relief for working families struggling with household budgets.

As has been stated before, the surcharge was initially introduced to encourage high-income earners to take out insurance. The former Treasurer, the member for Higgins, said at the time of its introduction:

… higher income earners who can afford to take out private health insurance will also be encouraged to do so.

... ... ...
This is the levy which the Government hopes no-one will pay. It is entirely optional. Those who take out health insurance (with the benefits attached) will be exempt.

But, of course, the passing of time has made it very clear that the member for Higgins’s wish was rather more like wishful thinking. We know many hundreds of thousands of people now pay the surcharge. Those opposite never bothered to change the thresholds. That means more and more low- to middle-income earners are being forced to make the choice between a tax that was meant for high-income earners or private health insurance that in many cases they cannot afford.

We on this side of the House want this to change. The hardworking people in my electorate of Solomon deserve this. I listen to the people of Solomon and, believe me, they are doing it tough and any relief is going to be welcome. In fact, the other day I was talking to a family about this particular issue. Let me recount their story. They are a hardworking husband and wife with a couple of teenage kids living in the northern suburbs of Darwin. They do not live in a mansion and they certainly do not drive flash cars. I suppose you could say that they are doing okay. They are buying their home and paying their mortgage on time. They work hard for everything they get. Maybe once a month they get to go to the cinema with the kids. Occasionally they get to go to a restaurant as a family. The kids play a few different sports—and, having five children myself, I know there are lot of costs involved: paying for registration fees, uniforms, equipment and the like. They catch up with their friends and mates for a barbecue and they have a few drinks. These guys are living from pay to pay. They do not have heaps of money to splash around—and let me tell you they are definitely not worried about stocks and shares at the moment, because they do not have any. These guys pay their mortgage, feed and clothe their kids, go to work, put fuel in the car and pay their bills: their rates, electricity, phone, car rego and the like. As I said, they occasionally get to do a few things like going to the movies or a restaurant. Things get pretty tight, so every so often they take out ‘time to pay’ arrangements until they get through the fortnight to the next payday. I asked them how much they were earning. Dad is on $65,000 a year and mum is on $43,000 a year. My maths tell me that is $108,000. That means that under the current threshold they will be paying the Medicare levy surcharge.

Let me start with the current change the government is pursuing, which is proving controversial in the Senate. I am sure you have all been following the Medicare levy surcharge debate attentively, so I would like to set out some clear points about the government’s position in case you have not gleaned these from the at times rowdy debate. We in the government are committed to providing both real choice in health care and support for people who choose to take out private health insurance. We are also strongly committed to providing tax relief to working families, something which we will continue to pursue now and in the future.

We all know that the surcharge was initially introduced to encourage high-income earners to take out insurance, and I have a few quotes on a couple of issues in support of helping people with cuts to tax. The Leader of the Opposition, in his first press conference as leader, said:

I know what it is like to be very short of money … I know Australians are doing it tough and some Australians, even in the years of greatest prosperity, will always do it tough.

Well, now he has his first test of whether he wants to help and whether he really understands what some people in our community are going through at the moment and that they are doing it tough. He has an opportu-
nity to show leadership and make sure that the people who are affected by this threshold have some tax relief. That is certainly in his hands as the Leader of the Opposition. He has an opportunity to stand up on this.

There have been other people who have come forward in support of changes to the threshold. Tasmanian Liberal Senator Richard Colbeck said:

If they are talking about indexation, and that is the intent of the government, then indexation of this measure would have put the threshold at about $75,000 to $76,000.

West Australian Liberal Senator Mathias Cormann, the current shadow parliamentary secretary for health administration, said:

...would it be more appropriate, instead of doubling it and probably overshooting the mark, to look at what the figure would be if it had been indexed? I am talking about approximately $75,000 per annum.

The Australian Private Hospitals Association has recommended thresholds of $76,000 and $152,000. Access Economics, in a report to the AMA, said that thresholds of $70,000 and $140,000 'would have restored the system to previous real levels, if this was the goal'. Terry Barnes, the former senior adviser to the former health minister, the member for Warringah, suggested that thresholds of around $80,000 and $160,000 would be appropriate.

So, they are the thoughts out there. We have listened to concerns from both sides of politics and from the cross benches in the Senate and amended this bill by appropriately bringing it back to $75,000. Those opposite have a perfect opportunity now to get out of the way and to give real tax relief to working families. This is not about destroying private health insurance companies. I am a member of one—a proud member of a private health insurance company. This is not about that; this is about bringing fairness back into the system and it is about looking after working families and giving them some tax relief at the time that they do their tax. If the previous government had bothered to change the thresholds, more and more low- and middle-income earners would not now be forced to make a choice between paying a tax that was meant for high-income earners or taking out private health insurance. As I said, we want to change this.

We announced in the budget that we would seek the threshold to be $100,000 for singles and $150,000 for couples and families. This would provide immediate relief to thousands of people paying the tax. We have listened closely, as I have said, to the concerns that have been raised about the threshold and accordingly put forward a revised proposal. This is about being a good government. This is about listening to the people and the experts and listening to those opposite and coming up with what is best for the Australian public. It really becomes tiresome that we continue to have health kicked around as a political football when we have an opportunity right now for bipartisan leadership on health to fix the health problems that we have in this country. So we have changed. We have been able to find a compromise and to come back and push this again.

The Leader of the Opposition, in his first statement as the Leader of the Opposition, talked about families doing it tough, about his own start in life and how he did it tough and did not always have money, about how he has worked hard to get where he is and that he knows the community is doing it tough. He has an opportunity now to show some real leadership and to come in and help working families by giving this bill passage through the Senate. Consider this: in 1997-98 around eight per cent of all single taxpayers had incomes exceeding $50,000. It is projected that in 2008-09 around 36 per cent of
all single taxpayers will have an income exceeding $50,000. Under the new proposed changes, around 14 per cent of all single taxpayers will have an income exceeding $75,000. About 330,000 Australians will get immediate tax relief due to our policy change. A couple earning $60,000 each could save $1,200 a year.

I do not subscribe to the view that these adjustments to the thresholds to keep them relevant will put an end to private health insurance as we know it. Private health insurance consumers will still be able to claim a 30 to 40 per cent rebate, and the lifelong health cover incentives will remain in place. The data show that it was these measures, and in particular Lifetime Health Cover, that encouraged the current high rates of membership. Private health insurance membership levels did not improve following the introduction of the MLS and in fact continued to decline from 31.9 per cent to 30.2 per cent. It was only following the introduction of the rebate in 1999 and the Lifetime Health Cover in 2000 that coverage increased to 32 per cent in 1999 and 43 per cent in 2000. Coverage has stabilised at the level it currently stands—44.7 per cent. Surprisingly, these statistics have not been lost on the debate.

But the real point is that the industry will best succeed if their members want to keep their policies because of the belief that health insurance is good value, that they are getting something worth while from the premiums they pay, not because of these government interventions. I am sure you would agree that the industry should have more than a tax penalty as the main driver for taking out insurance. This is especially the case for an industry that has built so much of its marketing on choice—choice of doctors, choice of hospital room, choice of product. The key surely is to provide a good product that people want and that is affordable.

At the COAG meeting in March this year the Prime Minister along with all the state and territory leaders announced that the Rudd Labor government would relieve pressure on our public hospitals. Unlike those opposite, we are taking real action. That is why we have provided $1 billion in additional funding for our public hospitals. Do you know why we had to do that? There is a lot of debate about this. It was absolutely necessary because those opposite did cut $1 billion from hospitals when they were in government. Our government is absolutely committed to delivering on election promises. Our budget initiatives demonstrate this and this bill definitely demonstrates it. It is about delivering healthcare improvements for the people of Australia. After a decade of funding cuts and neglect we are committed to working with the states and territories to fix our hospitals and deliver health care for the working families of this country.

The people of Australia, particularly the people in my electorate of Solomon, suffered as a result of the previous government’s neglect and underfunding of Australians’ health care. That is why this piece of legislation is not only good for Australians; it is absolutely essential. Those opposite had 11 years of being in the perfect position to work with the states and territories to improve the lives of Australians but the best game plan they could come up with was perfecting the blame game.

There is much work to be done in health. We have a health system that has been neglected, but the Rudd Labor government has made a strong start, and we intend to continue for the long haul. All Australians, and especially the good people of Solomon, expect the blame game to end and expect the government to take control of health and improve it. This will form part of the package to do so by addressing the Medicare levy surcharge.
I will touch very quickly on the legacy left behind. It includes the $1 billion worth of cuts, 650,000 Australians on public dental care waiting lists, a nationwide shortage of almost 6,000 nurses and a nationwide doctor shortage which affects 60 per cent of the population. There were 2,300 older Australians languishing in hospital beds every night when they should have had access to aged-care homes. The gap in Indigenous life expectancy has blown out to 17 years. A tiny fraction of Commonwealth health spending, 2.2 per cent, was actually invested in health promotion and prevention.

The facts and figures do not lie, and they add up to the fact that, as a country, we need to address a raft of issues to do with health, from elective surgery to the Medicare threshold. I think people have really had enough of listening to parties argue and use health as a political football across this chamber. I will just go back once again and remind the Leader of the Opposition, who has come out and said that he wants to support working families—he has done it tough in his life previously—that he has the perfect opportunity now to tell his senators to let this bill pass through, and to give tax relief to working families in this country. I commend the bill to the House.

Mrs Hull (Riverina) (6.16 pm)—I rise to discuss the issues contained within the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. There are many questions as to how we have actually come to this position and about the changes from the initial policy proposal. In doing so, I say to the member for Solomon that, when research has been conducted, one might have a look at what the former coalition government inherited from the former Labor government and see that there was a marked improvement in aged-care beds, there was a marked improvement in the numbers of nurses' places made available. To just give a set of figures that does not truly reflect growth and truly reflect action taken is quite mischievous and quite misleading in the House.

I rise to talk on this issue this evening because we have gone from an initial policy proposal where the singles threshold level would have been raised from $50,000 to $100,000 and the couples threshold level would be raised from $100,000 to $150,000. When we went to the election last year, there was no actual demonstrated policy from the Labor party that they were planning to change these threshold levels. They failed to inform people that this is what they were planning. In fact, they had decided to make these changes. It appears, when we listen to the speakers, that changes are being made in the interest of working families and in the interest of the Australian taxpayers. In fact, the government knows that it is actually going to have a windfall gain out of this policy. The government themselves have predicted the numbers of people who will leave their private health insurance. Therefore, they will not require the 30 per cent rebate and, therefore, the government will not be paying out the 30 per cent rebate and there will be a massive saving to the government.

Is that massive saving being put into relieving the hardship of the working families that many of the opposite side talk about or relieving the plight of older Australians, who, might I say, are the biggest claimants on private health insurance? Many older Australians have kept their private health insurance because they see, particularly in New South Wales, the disgraceful demise of public health. They are not game to drop their medical benefits. They are not game to drop their private health insurance. In fact, I had a lady in my office last week who gave me a sincere and disturbing account of her experiences as a pensioner within a public
hospital system that cared little about the problems that she was experiencing with her health, which is why she feels she must keep her health insurance above and beyond any other thing that she pays out for.

We have had this disgraceful demise in New South Wales at the hands of a Labor government. I do not think anybody could deny that what is happening in health in New South Wales is just unacceptable. My concern is that we have older Australians, who are the biggest claimants, and working families doing it tough. In fact, they will do it even tougher. The more people who drop out of health insurance, of course, the fewer people there are to bear the cost of private health. I suggest that, if anything meaningful is to come out of this, there should be added incentives, over and above the 30 per cent rebate, for those people, particularly older Australians, who have kept their private health insurance.

What we have is a mishmash and a hotch-potch of ideas. We have an Independent senator, Steve Fielding, who has argued in the upper house for extra assistance to deal with premium price increases and for an increase from the 30 per cent rebate to a 35 per cent rebate. We have another Independent senator, Nick Xenophon, who has argued for lowered thresholds—around $67,000 for singles and $134,000 for couples—and for the thresholds to be indexed. So we have a toss-up between two proposals. I do not understand on what basis these changes were made and what formula was used to determine the changes and to say, ‘Okay, we’ll move from our initial policy proposal of moving from $50,000 to $100,000 for singles and from $100,000 to $150,000 for couples and we’ll have a revised threshold of $75,000 for singles and $150,000 for couples, which would be indexed.’ That seems to be trying to make deals on the side. If we are going to have an all-in discussion as to exactly what might be of benefit, I would like to put my two cents worth in as well and ask why the government would not offer some relief to those older Australians having no gap—’Stay in your health insurance and we’ll guarantee you no gap with the money that we are saving from all of those people who are going to drop out of their private health insurance.’

We know, because the government themselves predict, that there will be about 583,000 people who will drop their private health insurance. They have revised that down from 644,000, of course, because they have reduced that threshold to $75,000 for singles. Even with the revised levels, though, Access Economics estimates that by 2012 over one million Australians will have dropped their insurance or not taken health insurance out. Access Economics also predicts that, with thresholds set at $75,000 and $150,000 for singles and couples respectively, by 2012 over 770,000 episodes will have shifted from the private system to the public system—a massive extra burden.

I am speaking about this bill because of my concern as to how my electorate in the Riverina will cope with this additional pressure on the Wagga Wagga Base Hospital. I appeal to the government and the minister to ensure support for places like Wagga Wagga in particular and Griffith, which need additional facilities. In 1970 there was a sod turned for a new hospital in Wagga Wagga and here we are in 2008 and there has still been no move to construct that new Wagga Wagga Base Hospital. Let me explain what the problem is and why I am so concerned about this exodus of people back into the public system. We had Griffith Base Hospital and we had Wagga Wagga Base Hospital—we had a hospital in most towns. Then it was determined that Griffith would be downgraded basically to a local hospital and that Wagga Wagga would be made the base hos-
hospital—the regional referral centre. Was one dollar put into the Wagga Wagga Base Hospital for it to become a regional referral centre? No. What happened was that two-bed wards were made into four-bed wards and four-bed wards were made into eight-bed wards. Women and men share the same shower and toilet facilities—absolutely unacceptable! The children’s ward is eaten out with white ants, to the point that there is almost more danger for your child in the children’s ward than from their illness as a result of the white ant infestation and the fact that it could collapse because it sits out in a wing and is a filled-in veranda area.

We have a calamity, a catastrophe, that saw thousands of people rally in the streets of Wagga Wagga. They came from all over the region to implore the former Minister for Health in the New South Wales state government, Reba Meagher, to commit to building a new Wagga Wagga base hospital. We were tired of the false promises and the let-downs. I might add that coalition governments before did the same thing to Wagga Wagga Base Hospital, but over the last 13 years it has been unbelievable to see what has taken place. The referrals that have taken place in Wagga Wagga Base Hospital have been extraordinary. The staff do a magnificent job under the most trying of circumstances. You could not ask for better staff, but under what conditions do they work? Even on the day when the former health minister, Reba Meagher, was coming into Wagga Wagga to have a look at Wagga Wagga Base Hospital, the Greater Southern Area Health Service had to clean up an operating theatre that had been deluged by a small fall of rain—one of the very few that we have received in the last seven years—which absolutely filled up the operating theatres. Our operating theatre times have been cut back. Everything has been reduced. We have one private hospital that has been trying to manage the whole of the private health insurance industry in the electorate. That is Calvary, and they are doing a significantly good job.

We had a promise and a commitment by the former health minister, Reba Meagher, that the new Wagga Wagga base hospital would be built. Then blackmail took place in the most disgraceful way. We were told by the health minister that the coalition, having not supported the privatisation of electricity under former Premier Iemma with his and Costa’s bold plan to privatise electricity in New South Wales, which was not supported by their own party or their unions and which would have seen members of their own party, for once, crossing the floor to vote against it—and funding for the Wagga Wagga Base Hospital was linked to the privatisation of electricity. That was a lie. The former minister, Reba Meagher, should stand condemned for lying to the people, because at no time was that new hospital linked to any electricity privatisation. It was a disgraceful lie.

I am very concerned about the legislation currently before us in the House. With the initial legislation we would have had a reduction in government expenditure by it not paying the 30 per cent rebate of $959 million. There would have been a reduction in revenue of $660 million, but the government saving would have been $299 million. There has been no breakdown of the expenditure and the revenue provided to us for this legislation, but there seems to us to be a government saving of around $354 million. We have heard a lot from the government side of the House about all the money that the Commonwealth is putting into the hospital system to support the mass exodus into it. It is a load of codswallop. During the Senate Standing Committee on Economics inquiry into the bill, the Western Australian government stated that people dropping insurance would lead to higher hospital operating costs.
in the magnitude of over $50 million per year in Western Australia alone—one state. Imagine what it is going to equate to in states like New South Wales. It is quite extraordinary.

It is a fact that the government really offered no compensation to the public hospitals and did not conduct any exercise to determine just what the spin-off and the effect of this legislation would be. They are clearly going to let this just play itself out and then blame the states because hospitals are the states' problem. They are not a federal problem. Everybody is told that hospitals are the states' problem, so it is easy. We hear about stopping the blame game. Gosh, it is all you hear about in this House on a continual basis, yet all you hear is blame, blame, blame. What will in fact happen is that I will be told in the House, by the Minister for Health and Ageing or by the Prime Minister, about the impact of this legislation on my electorate, particularly on the public hospital system and how it cannot cope with the added people who have presented to them as a result of dropping their health insurance, and that it is a state issue. Hospitals are a state issue. We will see where the blame game really starts and finishes when this takes place.

As I have said, I think that something meaningful should come out of any change to health insurance. People who are paying health insurance should get incentives. They get their 30 per cent rebate. That was put in place by the former government and has had an enormous outcome. We have seen an increase of 10 per cent of people participating in health insurance. There were a suite of incentives offered by the former government to encourage people to take out health insurance: Lifetime Health Cover, a 30 per cent rebate et cetera. If we are going to make changes, let us make a change so that those people who pay for private health insurance, particularly those older Australians who make the most claims on their private health insurance, will have no gap payments. Give them back the money that the government will save from the people who will exodus from private health insurance. Provide that no gap.

It seems to me to be such an anomaly. I listen to people who come and ask: ‘Why is it that we pay such significant private health insurance and we get a 30 per cent rebate but, when we use it, it costs us so much money? It can cost us thousands and thousands in gaps. But if we had the same procedure in the public hospital system and loaded the public hospital system up, even if it were an emergency procedure, it would cost us nothing.’ It is a valid question and a valid concern for people. So let us start to ease the burden. Let us start to look after a particular part of our community to begin with—older Australians. If the government is not going to provide the $30 a week rise in the pension then the minister should seriously consider having a no-gap policy and providing the savings to older Australians who are paying health insurance and using the private health insurance system. They should not have a gap. If anything is to come out of this legislation, let that be one of the good results.

If everyone is forced back into the public health system in my electorate, it simply will not cope. I urge and plead with the minister to get involved in the rebuilding of the Wagga Wagga Base Hospital to ensure that the people of the Riverina are able to get access to health care of the quality that they should enjoy—the same as any city person would.

Ms BIRD (Cunningham) (6.36 pm)—I indicate to the House that I only intend to speak for about 10 minutes on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008 because I need to go to the Main Committee to speak on
another bill. Given that, I will not canvass the much broader issues that many members in addressing this legislation have, particularly issues to do with hospitals.

The bill that is before us increases the Medicare levy surcharge threshold for individuals from $50,000 to $75,000 and the threshold for families from $100,000 to $150,000. The member for Riverina in her comments to the House indicates that she is not certain where those figures came from. Quite clearly, what that reflects is the fact that, throughout the consultation process in the Senate inquiry into the previous bill, many coalition members and industry players indicated that, if what we were seeking to address was the failure of the initial legislation to contain indexation, the current thresholds should be $75,000 and $150,000. Having taken on board the contributions of those players in the debate on the original bill, the government has come to these new threshold proposals.

The bill introduces transitional arrangements so individuals who obtain appropriate health cover before 1 January 2009 avoid the Medicare levy surcharge for the period 1 July 2008 to 31 December 2008. It also ensures that the thresholds will be indexed against wages growth into the future.

The Medicare levy surcharge, when it was introduced by the Howard government, was clearly and indeed explicitly outlined by the then government as being meant to apply to high-income earners with the purpose of encouraging them to take out private health insurance. We have a mixed health system in Australia. It has a universal, accessible to all public system and a thriving and, one would hope, competitive private system that offers a choice. I would argue that interaction between the two has driven much of the quality of our health insurance.

In their contributions to this debate, people have been indicating particular problems, mainly around issues with their local public hospitals. It is true that we continue to need to address the public hospital system. Also, the challenge is there for the private sector to address some of the less than adequate services through a provision of services by the private health system. Much of that is driven by an international shortage of specialists and medical staff. That creates some challenges for both the public and private hospital systems in particular and the health system more broadly.

We have a mixed system. In Australia it has always been that those who have the income capacity to do so will often choose to take out a form of private engagement with the health system through private health insurance. That has worked well for us. In fact the mixed base of our economy across a range of areas has worked well for us. The original legislation was intended, we were told, as a carrot to encourage those with the income capacity to take out private health insurance to do so to give meaning to that mixed health system.

The failure to provide indexation in that original legislation has had absolutely the contrary effect to that which the government of the day said it was intended to achieve. What we are doing is correcting the original legislation’s failure to provide indexation. If we accept that the government at that time was honest in its claims, its legislation was only about a carrot to encourage those who could afford it to take out private health insurance. The effect has been a tax trap for families increasingly less and less able to afford private health insurance. One could be extraordinarily cynical and think that the original legislation, despite the claims about its purpose, was actually about forcing more and more people who are less and less financially able to sustain it into the private sys-

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tem, thereby providing some of the general motive to push people out of the public system into the private system whether they wanted to go into it or not.

Much of what the former government did in this sort of area was introduced using the term ‘choice’. That was a favoured concept of the previous government. Yet when you looked at the impact of what it was that they did, what it did was take away choice. The net effect of that legislation over time has been that people have been given no choice, with them being punished whether they stuck with the public system and said that private health insurance was not a choice for them or whether they took out private health insurance as a result of these pincer movements, if you like, by legislation.

That tax trap is an inequity. It is unfair to working families. It is unfair to individuals who have been increasingly caught in that tax trap. It should be fixed. This legislation attempts to addresses that—and, indeed, the previous legislation tried to address that. I am quite bemused as to why the now opposition would have a problem with a measure that is about government getting out of the way of choice. It is saying that the government should get out of the way of people having choice; the government should allow people to make their own calls on whether or not they want private health insurance; the private health insurance market should be driven by competitive behaviour—quality service and good products—and attract its own clientele on the basis of that. One would have thought that that would be the classic Liberal Party position to take on an issue like this.

Mr Morrison—What about compulsory unionism?

Ms BIRD—That has long gone by the board. We are the party and the champions of real choice now, I say to the shadow minister at the table. The reality is that people, especially in the current economic times, are in a position where it is very difficult for them to sustain their private health insurance. At any point in time when private health insurance premiums go up I can guarantee that my phone will run hot. People are really annoyed that they are forced to take out private health insurance. They do not feel that they are getting a quality product; they do not feel that they are getting value for money. They cannot vote with their feet by pulling out of it, because the government has set it up so that they are stuck with the requirement to have private health insurance.

The private health insurance industry in this country is a pretty good one. It is pretty competitive. There is room for improvement. One of the best ways to keep them on their toes and provide a good service is not to have a captured market but to require them to go out and seek a market and ensure that people see that it is valuable, and they keep their private health insurance because it is valuable to them, not because the government is waving a stick over their head to force them to do so.

By 2005-06 nearly 500,000 people were trapped in the tax trap set up in the original legislation. We want to abolish that trap. We want to abolish that trap. We want to give some tax relief to those families earning around $50,000—hardly a high income in today’s economy. We have listened to the concerns, the views and indeed the proposals not only of the industry more broadly and various lobby groups around this area but also of opposition members in the Senate and their contributions and suggestions.

We should acknowledge that Senator Fielding has today indicated that he will support the legislation. It is important to provide immediate relief to approximately 330,000 Australians, a significant number, at a time
when they most need it. We heard, from the member for Solomon earlier, that the new Leader of the Opposition has said that he is there to go into battle for working families. Here is one very simple and straightforward way to do that. We need to give people genuine choice and that is what we are attempting to do with this legislation.

I want to very briefly in my closing comments make the point that many members of the opposition have said that people will pull out of private health insurance, so the opposition, I assume, presume that the product is so appalling and so uncompetitive that people will not choose to stay simply because they are getting good service and value for their money. Instead you have to force them to stay in regardless of how bad the product or service might be. Their argument has by and large been that this will put massive pressure on the hospital system. Thank heavens there is now a federal government that for a start is not cutting money from the public hospital system, as has happened over the last 12 years, but is actually putting money back into providing training positions in universities for the staff needed for those systems.

At the end of the day, people should not be forced by the government into taking out private health insurance when they are on incomes that cannot sustain it. This legislation quite simply and purely corrects an anomaly. It is something that I would have certainly expected the Liberal Party to have argued for and I am surprised we are even having to debate the principles behind this legislation.

I commend the bill to the House. I commend Senator Fielding for acknowledging that the current economic situation means that the budget’s integrity has to take precedence and that he is therefore going to pass the government’s budget measures in the Senate. I think that is a responsible position to take. While I do not agree with many of his concerns about this bill, I do acknowledge his position and I commend the bill to the House.

Ms Marino (Forrest) (6.47 pm)—I want to speak against the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. I and many others spoke against the government’s initial Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2008, which attempted to increase the Medicare levy surcharge thresholds for individuals from $50,000 to $100,000 and for families from $100,000 to $150,000. This No. 2 tax law amendment bill proposes to lower the income threshold level to $75,000 for singles.

How can these amendments reduce financial pressures on working families? The government must realise that its proposed legislation is not wholly directed at working families. People who are currently in private health insurance also comprise single people both young and old. Low-income families and singles on incomes below the threshold levels would be adversely affected because they would not benefit from the tax cut but would face higher health insurance premiums as a result of fewer people taking out health insurance. Lower income families would simply fall out of the private health insurance market and have no alternative but to rely on the public health system.

A number of senior constituents in my electorate of Forrest have called me to discuss what the government’s proposed legislation would mean to their private health insurance premiums. They are most concerned when they understand the detail of the proposed legislation. It stands to reason that those who benefit least from health insurance will be the first to leave the system. They would be those with good health, the young
and fit. Senior people can see the logic of why younger healthier people and also low-income families would withdraw from private health insurance, which would leave a smaller pool of older Australians reliant on their private health insurance. They can also see that ultimately premiums will drastically increase and they may no longer be able to afford the private health insurance that they have maintained to give them some level of surety so that, should they need medical treatment or hospitalisation in the ensuing years, they will be able to receive it and not have to wait in the never-ending queues for elective surgery as a public patient.

Pensioners cannot cope now with the higher cost of groceries, fuel and day-to-day living expenses. Most fear that they will not be able to afford to pay higher premiums for their private health insurance. If the government believes that this will help working families, how will it explain to working families in the future, once the family has pulled out of private medical insurance, why it is they cannot get the necessary medical treatment and why there are queues of public patients before them? This will ultimately put an unsustainable burden on our public hospital system—a system which is struggling to cope now.

What we do need to concentrate on is assisting in the improvement of medical services to all Australians, particularly in regional areas and areas where our communities are telling us that there is a problem. Mostly this relates to problems of shortages as in my electorate of Forrest, where we are certainly suffering from a shortage of doctors. We need to attract more doctors to regional areas and ensure that they remain in regional areas. To this end, a lot more work needs to be done to reform the formula used by both the federal and state governments in determining state areas of unmet need and districts of workforce shortages.

As I am focused on representing the residents in my electorate of Forrest, I will not support the proposed bill because it is not in the interests of my constituents. The proposed amendments will not only affect those people who currently have health cover and wish to retain it but also affect those people who calculate that they do not need private health cover because they will not have to pay the Medicare levy surcharge. Ultimately, it will affect communities because of the shift to reliance on public hospital facilities. The Labor government suggests it will deliver tax relief to working families struggling with household budgets, meaning they will have more money left because they no longer need to pay for their private health insurance premiums. In reality, they will need more funds to pay for their health when in the future they need medical treatment either elective or emergency. The exodus of people from private health will create an enormous strain on our health system.

Western Australia, and in particular the south-west, is already facing shortages—not enough beds, delays, cancelled surgery and emergency departments of major hospitals not coping with demand. According to the Private Health Insurance Administration Council, the private health insurance hospital coverage rate in 2007 for Western Australia was 47.9 per cent. This was the highest in Australia in 2007, with the closest being New South Wales at 45 per cent. There has been a steady increase in the number of south-west residents taking up private health insurance, not only because of the incentive of the 30 per cent rebate but also due to the fact that people know the public health and hospital system is not working for them.

In January 2008 the Australian Health Insurance Association’s national survey of pri-
private health insurance funds in Australia reported that people in my electorate with private health insurance represented 56 per cent of voters. This again is higher than the national average of 44.7 per cent. There are many senior residents in my electorate who have raised their concerns with me that, if premiums increase by as much as 10 per cent, they will no longer be able to retain their private health insurance policies—and these are policies they have budgeted for and gone without luxuries for because they want to maintain private health insurance in their later years.

Some 44.7 per cent of the Australian population is now covered by private health insurance. In the 12 months to June 2008 the biggest growth of any age group to take out private health insurance was in the 25- to 29-year-olds—an increase of 53,000 people. If this policy is passed, up to one million people will drop their private health insurance and end up in our state health systems. Even with the expected younger age group exiting the private health system, the government has ignored advice from Treasury which predicts that about 57,000 Australians aged 65 and over will drop their private health insurance. The AMA has estimated that something like 700,000 to 800,000 Australians who are insured will drop out. The government itself admitted it did not take into account that many of these would be families and that children in those families would not be covered and would fall into the public paediatric hospitals.

What the government intends to save by not paying private health insurance rebates for all the people they predicted would drop out based on their change in the Medicare levy surcharge is minimal compared to what it will cost across Australia to support the states and territories in bailing out the public health system with the increases in demand the hospitals will face. State public hospitals cannot cope with the level of demand now. One of my constituents, Mr Murray Upson of Dalryllup, recently underwent a knee operation in Bunbury. It was not a good experience for him in hospital. He observed a chronic understaffing of nurses on the ward, leading to a very stressful time for staff and patients. During the night he had to wait three hours for painkillers, and when the overworked and stressed nurse finally came to him he felt even worse for taking her away from her other duties and actually apologised for being in pain.

This bill will cost government, it will cost households and it will cost our health system. When close to one million people both young and old drop out of private health insurance, they will fall into the public hospital system. The demand will increase, but it will also mean that the pool for private health insurance will become small and private health insurance premiums will go up. The AMA has predicted that premiums will need to increase by 10 per cent per annum, which will make it unaffordable for many Australians, and so the demand will increase. I do not support this bill.

Mr BIDGOOD (Dawson) (6.55 pm)—People in my electorate welcomed the tax relief delivered in the budget just recently, and I have to say the member for Cunningham made some very good points in her speech previously. I would like to say that the people in my electorate deserve tax relief, and that is why this government has delivered tax relief in this financial year and, through the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008, plans to deliver even more.

Starting on 1 July, those earning $40,000 per annum welcomed their extra $20.19 each week. Why wouldn’t they? When the child-care tax rebate increased from 30 per cent to 50 per cent, mothers were calling my elec-
torate office saying, ‘What a wonderful move,’ and, ‘That was so much help.’ The baby bonus increased to $5,000 and a full tax credit was granted to petrol and diesel expenses, particularly for activities in commercial fishing and fish farming. This was good news and was very well received. I went up to Bowen in my electorate, to the Bowen Fishing Classic, where over 10,000 people attend for a long weekend to go fishing, and I can tell you they were very happy with some of the tax relief they have been getting.

People in my electorate of Dawson do not want budget measures blocked in the Senate. They do not want tax measures blocked that are going to save them money, put money in their pockets and help them put food on the table and petrol in the car. These are good policies that put money in the pockets of everyday working people and working families. They want the Liberals and the Nationals in the Senate to get out of the road, unblock the supply and pass these measures. My constituents do not want or expect the Senate to play politics and block key budget measures such as this. The Senate is the states house and senators should act in the best interests of the states they represent. Blocking budget measures is not the action of a responsible opposition. It proves that they are in no position to lead.

The member for Wentworth had a sterling opportunity to show real leadership and work for the national interest, not the Liberal Party’s interest, but he has absolutely and completely failed to do that on this issue. The member for Wentworth has failed in his first test as leader of his party to make things right in the Senate. If the member for Wentworth wants to show true leadership, he should give the command to the Senate: unblock the supply, pass these measures and give working families money in their pockets to put food on the table and petrol in the tank. That is what the people of this nation want. Is it his lack of leadership, his lack of judgement, or is it simply irresponsible? I tell you what: I will let the Australian people be the judge of that—and judge him they will.

The Liberals control the ultimate passage of this bill through the Senate, so the question of economic responsibility goes fairly and squarely back to them. I do, as the member for Cunningham has done, congratulate Senator Steve Fielding on his decision. He has shown pragmatism in the circumstances of the global economy and how that will affect everyday working people in this nation. The Prime Minister has called on the Liberals not to play short-term politics in the Senate, because the Senate is not the place for short-term politics.

In blocking tax relief for battlers, in unnecessarily taxing those on medium incomes, their flag is well and truly planted. What those on the opposite side truly believe is well and truly on show for all to see. The fact of the matter is that they have not changed. They paid no attention to what happened to them in the election in November last year. They were out of touch then and—guess what?—they are still out of touch now. They are not in touch with the everyday people of this nation, who are saying, ‘We want a government—the Labor Rudd government—to help us with our everyday expenses.’

Here is a measure that is going to do that directly and the Liberals and the Nationals in the Senate are deliberately blocking it. It is absolutely irresponsible. Those opposite should come clean and admit that the Liberal and National parties have denied working families a tax cut and are proud of it, plain and simple. That is a terrible place to be with the Australian people. They will not forget this. I again acknowledge Senator Steve Fielding, the Greens and Senator Nick
Xenophon for the decisions that they are making.

We are reintroducing this bill because we want to deliver tax relief. We want to give a fair go to families on medium incomes. This bill will provide tax relief by adjusting the Medicare levy surcharge thresholds for individuals and families. The Medicare levy surcharge currently is a one per cent increase on top of the Medicare levy for individuals and families who do not have private hospital cover. The thresholds are currently set at $50,000 for individuals and $100,000 for couples and families. This bill will increase the thresholds to $75,000 for individuals and $150,000 for couples and families, and index these thresholds against wages growth into the future. That is a responsible thing for the government to do. That is a responsible thing for leaders to do. This is a responsible thing which any future leaders on the other side of this House need to take note of, and they need to get out of the way and stop blocking the supply.

This bill will deliver tax relief to working families struggling with household budgets. The truth is that since 1997, due to a failure to adjust the thresholds, the Medicare levy surcharge has become a tax trap that has caught more and more working families. This measure will deliver immediate tax relief to 330,000 Australians. For two average-income earners, each earning about $60,000, this will deliver a saving of $1,200 in its first year. Why is the opposition blocking this? Why is the opposition denying everyday working people the ability to have an extra $1,200 in their pay packet? Fifty thousand dollars is not a high income. It is certainly not a level to justify imposing a Medicare levy surcharge. Why would the Liberal and National parties be opposed to putting $500 in the pocket of someone earning a working salary of $50,000 who is forced to pay the Medicare levy surcharge right now? The Liberal and National parties continue to support slugging people in working families with a tax that was meant to apply only to high-income earners. The Liberals’ failure to adjust the thresholds when they were in government, and their stubborn refusal to support our proposal to do so now, brings into question whether they ever really intended it to be a tax that applied just to high-income earners in the first place.

We on this side of the House have delivered and want to continue to deliver tax relief to working families. Until now, those opposite have not. I hope the opposition will support the government’s Medicare levy surcharge bill and join with us in providing tax relief for hundreds of thousands of Australians. Remember: $1,200 a year may not be much to you but to the working families who are struggling it is a lot. I commend this bill to the House.

Mr CIOBO (Moncrieff) (7.05 pm)—I rise this evening to speak on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. I have to say how extraordinary it is to listen to the contributions of the members of the Rudd Labor government as they talk about savings, responsibility and a long-term vision. These are all very sound, very forthright principles that probably on first blush would be worthy of support. But there is an extraordinary reality when you actually dig into the detail about what Labor is proposing with the bill that is before the House. This is the second time that it has come before the House and that Labor has tried to institute these changes to the Medicare levy surcharge threshold.

I listened with great interest to the member for Dawson as he spoke about how this bill is fundamental to helping working families and to ensuring that those Australians have the opportunity for a tax saving. If in isolation all you listened to were those com-
ments, you might think the member for Dawson had something constructive to say about providing income tax relief to Australian working families. If you did not know that this Labor government was imposing $20 billion of new taxes on the Australian people, you might think that there was some sincerity in the comments of the member for Dawson. But the reality is that those members opposite come to this debate with no sincerity and they are, for all intents and purposes, naked when it comes to this debate. The reason they are naked is the sheer hypocrisy we hear from members opposite when they talk about the need to ensure that working families have a tax break, the sheer hypocrisy of Prime Minister Kevin Rudd, and the sheer hypocrisy of the member for Dawson and those before him.

No doubt those from the Australian Labor Party who stand up after him will also say, ‘Working Australians deserve a tax break; it is very reprehensible that the opposition is not supporting this bill.’ I say back to Labor government members that, if working Australians deserve a tax break, how can you be part of a government that is imposing $20 billion of new taxes on Australian working families? How can you come into this chamber and make the claim that you are motivated and genuinely concerned about working Australian families when you are so happy to impose $20 billion of new taxes on the Australian people?

I say to the people of Mackay: look at the member for Dawson and understand his sheer hypocrisy when he says, ‘This is about savings.’ I tell you what: this is certainly about savings—make no mistake about it—but it is not the savings of working Australians that the government are motivated by; it is not the savings of those Australians who are doing it tough in this current climate; it is not the savings of pensioners and self-funded retirees that the government mean when they talk about making savings. No. Do not swallow that hook, line and sinker because the only savings the government care about are the savings to their outlays. They are the real motivation for the Rudd Labor government making these changes and the real reason the government want to increase thresholds. It is not because they have a long-term genuine belief about the need to ensure we have adequate thresholds when it comes to private medical insurance. It is about making sure that the Rudd Labor government do what they can to continue their ideological attack on private health insurance in this country. So, when the member for Dawson and members opposite talk about their great desire to ensure that there is a long-term vision and a responsible policy platform for private health insurance in this country, just think about those key points. It is those points which underscore the coalition not supporting this legislation before the House.

The Rudd Labor government’s moves, through this legislation, will force hundreds of thousands of Australians from private medical insurance into the public system. This is a very real and genuine concern for members of the opposition and is the reason we will not support the short-sighted, politically reckless decision of the Rudd Labor government to change these thresholds.

I live on the Gold Coast. I have the great fortune, together with other members, of representing a city of some 500,000 people. I must say that, had we a great public hospital system, I would be less concerned about the ramifications of this exceptionally short-sighted decision by the Rudd Labor government. But the reality is that, on the Gold Coast, I have seen over the past year or two the very real consequences of a state public health system which, frankly, is absolutely disgraceful. I have read on the front page of my local newspaper, the Gold Coast Bulletin, about women giving birth in hospital store-
rooms because there are not enough beds for them. I have read how the Gold Coast Hospital is regularly placed on bypass because there is not enough room within the facility and how Gold Coast patients requiring oncology services have to travel up the road to Brisbane. Then we discover that the plan for which the Rudd government likes to claim responsibility will force around 500,000 people from the private system onto the public system. You start to scratch your head and wonder what this government is really up to.

What would motivate the Rudd government to increase the number of people moving from the private system, where they are covered, onto long public hospital queues? What would be the reason the Rudd government would seek to do that? We know that it is about savings but, as I said, it is not about tax savings. If it were about tax savings, the government would not stand up with bare-faced hypocrisy and claim on the one hand that they are all about providing tax relief to working Australians through this measure while on the other hand introducing $20 billion of new taxes.

When this legislation was initially introduced into this House—let’s call it the surcharge threshold mark 1—we know that the savings to the Rudd government as a result of no longer having to pay the 30 per cent rebate would have amounted to about $959 million. The reduction in revenue was about $660 million, a government saving of some $299.7 million dollars. Under the new legislation—and there has not been a breakdown provided by the government—we expect a government saving of some $354 million as a result of this change to the Medicare threshold. That is what this government is concerned with. That is what motivates the Rudd government to make sure that this legislation is passed. It is not about what is good for working Australians; it is about what is good for the Labor Party, and what is good for the Labor Party is a chance to save $354 million.

It is not only the coalition that has very genuine concerns about the ramifications of this legislation but also various state Labor governments. To cite but one example, during the Senate inquiry into this matter the Western Australian government stated that people dropping insurance would lead to higher hospital operating costs of the magnitude of over $50 million per year. That is just for Western Australia and just for one year—a very long way away.

Those from the Labor Party who have come before the chamber will not be able to address that issue because they are more concerned about the spin and the Rudd government’s need to sell this issue as in some way ensuring that there is a benefit to people when, in reality, the only benefit will be enjoyed by the Rudd government.

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initiative onto the state Labor governments, which are already carrying a burden of some $90 billion. Today I read with interest that the state debt in New South Wales is growing at $18 million a day—$18 million a day is the legacy of the Labor Party there after being in office for a long, long time. Now we know that the Rudd Labor government is going to put even more people onto the public hospital queues in New South Wales. I say to the people of all the states in this country to dig a little deeper into this legislation and they will find the real motivation of the Labor Party when it comes to why it wants to make these changes to the thresholds. When a Labor member says to them, ‘We are doing this because we believe in tax breaks,’ ask the Labor member, ‘Why are you then imposing $20 billion of new taxes?’ When a Labor Party member says that this is about giving people choice in health, ask them what the 500,000 or so Australians are meant to do that move from the private system onto the queues in the public system. I say to constituents on the Gold Coast that they should come to this debate genuinely concerned about what this change means for the wonderful staff at the Gold Coast Hospital. The staff do a sterling job at that hospital, with very limited resources. They do a sterling job when they are ill equipped by a state government that is completely up to its eyeballs in debt. They do a sterling job when it comes to functioning as a hospital that is so very far below the needs of the region.

I also say to my many constituents who are aged 60 and over that they should be very concerned about the ramifications of this change to the Medicare levy surcharge threshold. The Minister for Health and Ageing has never wanted to address this issue. The question is: what will this change mean for private medical insurance premiums? We have not had a clear answer from the health minister, and I think other members opposite will never address it either. We know from the modelling that the most likely impact of this change is that health insurance premiums will skyrocket. We heard the Labor Party claim before the last federal election that they were concerned about cost-of-living increases. We heard the Minister for Health and Ageing make statements that she was concerned about hefty increases in the premiums for private medical insurance, yet we saw at the beginning of this year a tick and flick by the minister for health for premium increases of around six or seven per cent. We will see, as a direct result of this legislation, private health insurance premium increases of probably around 10 per cent.

We now see a vicious cycle starting. As a result of these changes, private health insurance premiums will increase by around 10 per cent next year. This will lead to a whole new tranche of people who will drop their private medical insurance because they are either unable to continue to afford to pay or without the desire to pay. The government has already conceded that those most likely to drop their private medical cover will be the fit and relatively young—perhaps I should say the young and relatively fit—Australians aged between 18 and 30 or thereabouts. The result is that older Australians, and in particular those in my electorate who rely on private medical insurance so that they are not a burden on the Australian population through the public system, will no longer enjoy the benefits of a very high level of private medical cover.

The coalition have a very proud track record in this area, because we believe in private health insurance. More importantly, we are prepared to stand up for private health insurance. We do not do it at the exclusion of the public system; we do it in addition to support for the public system. That is in stark contrast to the Labor Party, which fundamentally and at its core remains ideologically
opposed to private medical insurance. We know there are many members of the government who, if they had the opportunity, would scrap private health insurance or, at least, would do their very best to ensure that private medical insurance was so expensive—with no government subsidy whatsoever—that very few Australians would have it. I recall when I was a teenager the Prime Minister at the time, Paul Keating, standing up and proudly boasting that he and his family did not have private medical cover. How extraordinary that you had a person who, in present day terms, was probably earning around half a million dollars a year proudly boasting that no-one in his family had private medical insurance as if, in some way, any health related costs that he or his family enjoy should rightly be paid for by taxpayers with no contribution coming from those individuals. This is the kind of daft ideology that the Labor Party supports. That is why the former government, this coalition, were committed to doing what they could to reverse the damage done, initially by the Whitlam government but then subsequently by other Labor governments, by ensuring the level of private health insurance coverage was turned around. The Howard government increased coverage by 10.8 per cent so that national coverage increased from 33.9 per cent to 44.7 per cent. In my electorate of Moncrieff, the coverage was even higher. In excess of 50 per cent of individuals in my electorate had private health insurance. They fundamentally believe that there is an important responsibility they have to make a contribution towards their health costs if they can afford to do so.

The coalition government introduced the 30 per cent rebate and rebates at 35 per cent for those aged 65 to 70 and at over 40 per cent for those aged over 70. Lifetime Health Cover and the Medicare levy surcharge were initiatives taken by the coalition to ensure that we did what we could to increase the number of individuals who have private medical insurance. It was built on the fundamental premise that, if you can afford to, it is worth while that you make a significant contribution to the cost of your medical cover. That principle is under direct attack by this government’s changes in this legislation. That is the reason why the coalition will simply not support Labor’s changes here.

As much as this change is dressed up to be about providing tax relief to working Australians, that is simply not believable. How can the government on the one hand claim to be concerned about providing tax relief to working Australians and yet also impose $20 billion of new taxes on those same Australians? It is completely unbelievable and it is completely hypocritical. The sole argument put forward by Labor members opposite—that this is about tax relief—cannot be believed, because the facts do not support their assertion. On the other hand, the coalition’s position is very straightforward.

This is designed to save the Rudd government some $350 million in revenue. This will, based on modelling provided not by the coalition but by the stakeholders themselves, drive 500,000 or so Australians from the private system to the public system. Those people living in my electorate on the Gold Coast and those Australians who have a genuine interest in public health matters would know that the very long public hospital waiting lists—the queues for surgery and the queues for elective surgery—and all of those problems are going to get much worse before they get any better under the Labor government.

Finally, if there is concern, let it not be the concern that I have expressed here today but the concern that has been outlined by those operators in the industry and, importantly, by the state Labor governments, the very real
concern about the multimillion-dollar impost these changes will have on the public health system. I say to my pensioners on the Gold Coast, my self-funded retirees and those aged 65 and over: look at this issue with great concern and dig a little deeper than the spin that we hear from the Labor Party about how this is all designed to save them money. If you believe that paying an extra nine or 10 per cent on your health insurance premium is the way to a sustainable health system and if you believe that the way to ensure that we as Australians get better access to health care is to force hundreds of thousands of people from the private system to the public system then you will support this bill. But if you think that is a step in the wrong direction then you will not support this bill. I am certainly proud to be part of the coalition, who remain resolutely and steadfastly opposed to this very short-sighted and bad decision of the Rudd Labor government.

Mr SIDEBOTTOM (Braddon) (7.25 pm)—I do not like using the word ‘hypocrite’ or hearing the word ‘hypocritical’, but I will not hear that term levelled at us from members of the former government that ripped the heart out of the public health system and in particular our hospital system. The member for Moncrieff, who just spoke, ranted and canted about the public health system, but he was part of the government which tried to decimate that. Before he leaves the chamber he might like to hear the remainder as well. We do have a universal healthcare system called Medicare. Mr Keating and others in Australia can be proud of that. That universal healthcare system is paid through income tax and the Medicare levy. The rant and cant was loudly served up by the other side in very large quantities. Added to that was a drop of scaremongering for the pensioners and independent retirees on the Gold Coast. What we got was no argument at all and a failure to deal with the detail of the legislation, which I would like to have a look at.

I rise in support of the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. I reinforce that the bill is about helping the budgets of working families around Australia and providing choice. The Medicare levy surcharge is a one per cent increase on top of the Medicare levy for individuals, couples and families who do not choose to take out private health insurance. The second proposal that we have put up is to lift the threshold from the current $50,000 for an individual and $100,000 for couples and families to a more realistic $75,000 and $150,000 respectively. This bill also indexes these thresholds against wages growth in the future.

The bill is another move by the Rudd government to pick up the slack from the former government. Although they were quite happy to introduce the surcharge as far back as 1997, they did nothing to stop it impacting over the years on more and more individuals, couples and families and their household budgets and savings. When the coalition introduced the surcharge it was meant to apply to high-income earners. I remind members that the then Minister for Health and Family Services, Michael Wooldridge, said at the time:

High income earners will be asked to pay a Medicare levy surcharge if they do not have private health insurance. These are the people who can afford to purchase health insurance. I would hardly consider an individual earning $50,000 or a family or a couple earning $100,000 today, and trying to meet the costs of living in today’s climate, to be high-income families or individuals.

I would also like to take a moment to try to cut through some of the hysteria that we just heard from the member for Moncrieff and some of the hysteria being peddled by
those opposite. I particularly heard that in the template answer by the opposition spokes-
person for health and, not unexpectedly, from members of the health insurance indus-
try. Their claims about a mass exodus from health insurance because of the change are
alarmist at the least, and I believe they are an insult to the intelligence of everyday Austra-
lians, many of whom have made the decision to take out private health insurance because
they can see real benefits from the security it offers. To suggest they will jettison this secu-
rity because of a change like this is extreme. But don’t take my word for it; instead, I will
turn to the opinion of Monash University senior lecturer Charles Livingstone, from the
university’s Department of Health Science. In the Age last month he looked at what he
calls ‘the great lie about private health cover’ and he questioned the concerns of Family
First Senator Steve Fielding and his concern for the poor:
Clearly, he’s been strongly persuaded by the pri-
ivate health insurance lobby’s dire predictions of
the consequences of increasing their threshold for
the 1% surcharge, a fairly modest change to the
panoply of Howard-era incentives and penalties
intended to prop up their business.
Dr Livingstone contended that the introduc-
tion of the levy surcharge in 1997 did not
stop the membership decline in private
health insurance. Two years after the intro-
duction of the surcharge, membership had in
fact fallen from 32 per cent to 30.6 per cent
of the population. The 30 per cent rebate,
introduced on 1 January 1999, saw only a 0.8
per cent additional uptake in its first year. It
was not until the introduction of the Lifetime
Health Cover in July 2000 that numbers ac-
tually turned around. It led to an increase
in health insurance coverage from 32.2 per
cent of the population in March 2000 to 45.8 per
cent by September 2000, and that was par-
ticularly because of its penalty and the non-
taxpayer contribution. So Dr Livingstone
asked:
If the surcharge didn’t encourage anyone to take
up health insurance, why would its adjustment
induce an exodus?
It is a fair question. Dr Livingstone goes on
to argue about the merits of private insurance
overall, contending it would be better to in-
vest more in public hospitals. That is a de-
bate that is not relevant here at the moment;
we will leave that for another day. Suffice it
to say that Labor is already putting a real
increase in funding into public hospitals and
public health after 12 years of neglect and
promotion of the blame game. No other
place is more demonstrative of that than the
government intervention in the Mersey hos-
pital in my electorate of Braddon. Why did it
take 12 years for it to take an interest in pub-
lic health and public hospitals? The member
for Moncrieff never commented on that, and
he could not counter that.

The point made by Dr Livingstone is that
this change should not be viewed as a major
disaster for health insurers but taken as a
benefit for families. It is a tax break, a tax
relief from a tax trap set in 1997. Contrary to
the scaremongering by those opposite and by
members of the health insurance industry, the
AMA and others, there are people reporting
that those most likely to drop cover are those
in the younger age bracket, who are gener-
ally more healthy and are not major consum-
ers of hospital services anyway. So they are
unlikely to cause a major increase in public
hospital activity. Again, in the rant and the
cant of the member for Moncrieff, there was
no comment on that.

This bill is a revision of our original pol-
icy and should come close to the mark sug-
gested by many as a reasonable amount for
the threshold, including by the Greens and
Senator Xenophon from South Australia and
in the review by the Senate. It is also about
giving average working families a choice to take out private health care if they feel it is the right thing in their circumstances but not to be slugged with a tax that they may not be able to afford.

I would like to refer to the work of Helen Keleher, Professor of Health Science at Monash University, who has some interesting comments to make, particularly in relation to some of the arguments thrown up by the member for Moncrieff and the opposition health spokesperson. One of the prime arguments against the government’s plan is that hospital emergency departments will be inundated by people who no longer have private health insurance. Every single template answer that popped up on the other side put that argument forward. It is a nonsense. Only a tiny number of private hospitals have an emergency department, and they are very expensive to use anyway. We do not rely on them for emergency services; the public hospitals provide the vast majority of emergency departments across Australia. That is a fact. Nor would all the people who decide not to renew their membership of a private health insurance scheme get sick all at once. You would get the idea from the other mob that anyone who drops out of a scheme is going to rush off to the doctor and to hospital and go and see all the allied health people who provide services all at once. It is an absolute nonsense.

Our taxpayers’ dollars have been subsidising the health insurance industry to the tune of more than $3 billion a year since 1999 through the 30 per cent subsidy of private health insurance premiums. But, as I mentioned before, the research of Dr Livingstone shows this has had very little effect on the numbers of new customers taking out private health insurance. Those opposite who argue for public dollars to prop up private schemes should explain—indeed, I would ask the next speaker from the opposition to explain—why various insurance products are not competitive and why they require a massive subsidy from the public purse.

What about the argument that millions of Australians face an increase in their health insurance premiums? Over the past few years the federal government has allowed the private health insurance industry to raise premiums by more than the consumer price index. They rose by 7.4 per cent in 2003, 7.6 per cent in 2004, eight per cent in 2005, 5.7 per cent in 2006 and 4.5 per cent in 2007. Indeed, between 2002 and 2007 premiums increased by 37.9 per cent while the CPI increased by only 13.9 per cent. So, if such price rises are really necessary, people with private health insurance, like me, have a right to ask themselves if they are getting good value for money. Are the funds efficient? Have all the you-beaut extras they offer really increased the package quality to match the price increase? Surely private health insurance can do better than help people ‘jump the queue’, as Charles Livingstone puts it bluntly.

We are about encouraging people to do what is best for their health and for the health of their families. This bill is coupled with a major increase in the support for health services around the nation, as I mentioned earlier. And nowhere is that more evident than in my own electorate of Braddon. No doubt everyone in this place has heard of the Mersey Community Hospital at Latrobe, which some chose earlier to use as a political football. I would like to bring the House up to date with what has happened at the Mersey, a major Commonwealth hospital. You are probably aware that the Commonwealth reached an agreement with the Tasmanian government to manage the Mersey Community Hospital on our behalf from 1 September 2008. In recent months the Commonwealth has provided $1.1 million worth of necessary equipment and refurbishments that
have assisted staff to continue to provide effective and safe management of patients at the hospital. Fortunately, we have been able to equip a high-dependency unit, which is now fully functional, meeting the healthcare needs of patients including those suffering from heart attack, stroke, severe asthma and other conditions requiring specialist care and monitoring.

As part of the Commonwealth’s ongoing commitment to the local community, up to $180 million will be provided over three years to Tasmania, exclusively for the management of the Mersey Community Hospital. This funding will ensure the current range of services is maintained. I would remind you that, apart from the intervention and the rhetoric that went with it, it is the Rudd government that has finally had to deal with the arrangements to give this effect, and that is $180 million over three years. That is a lot more than the $45 million that was thrown around by the former health minister and the former Prime Minister, the former member for Bennelong, when they were talking in this House and in Tasmania.

A dedicated general manager will be employed at the hospital to ensure continued local management. Services that will continue at the Mersey Community Hospital include the high-dependency unit I mentioned, a 24-hour emergency service, medical and surgical services for both day surgery and inpatients, low-risk obstetric services, low-risk inpatient paediatrics and low-complexity inpatient acute medical services. The Commonwealth funding will also allow for the expansion of a range of services, potentially including renal dialysis, more elective surgery, a regional rehabilitation unit for the north-west and transition care for older patients. To ensure the continuity of care all current staff have been offered continuing employment with the state government with no disadvantage. Finally, a north-west regional community advisory body will be established to oversee health outcomes for the region, and of course the Mersey will play a very important part in providing that health care in my region.

To conclude, the Rudd government has made considerable commitments to my electorate in terms of health outcomes. These range from $1.25 million for mental health in the region through the Sisters of Charity trauma counselling services, which provide services for the whole of Tasmania but are based in my region, to an offer of up to $7.5 million for two super clinics in the Devonport and the Burnie areas. I was very pleased to have attended two meetings in relation to the potential of the super clinics and what they can mean for a region. I hope that a number of innovative models will come forward to access that funding and provide even better healthcare services.

I would also like to acknowledge the work of Jane Holden who is currently the CEO of the North West Regional Hospital, which is based in Burnie but in actual fact she will have overview of the Mersey as well. Jane is a great breath of fresh air to my region, someone who believes in an integrated approach to providing health services, someone who believes that the hospital is really the last resort rather than the first resort, someone who believes in linking with ITC but working very closely with all health professionals and someone who sees the GP as the hub of health care, with the allied health service providers and the hospital playing their part in relation to that.

A reduction in the Medicare levy surcharge may not be something that people see as a direct benefit to the health of the people of my region or Australia but it will play its part in providing genuine choice for those who want it and considerable tax relief for those who need it. It will help restore the
balance for many families and encourage them to look at their healthcare needs, and it is with this in mind that I commend the bill to the House.

Mr RAMSEY (Grey) (7.44 pm)—I am addressing the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008, the bill to raise the Medicare levy surcharge thresholds. The state healthcare system is creaking by anybody’s standards. We all read the newspapers on a regular basis: waiting lists, beds in corridors et cetera. The states are, by all accounts, according to the papers last week, demanding billions of the federal government to fix what they see as the problems in public health. This will indeed severely test the Prime Minister’s pledge to end the blame game between the states and the Commonwealth on the health portfolio. It is with surprise then that we see this bill coming forward to actually increase the load on the public health system.

I refer to moves in South Australia of recent times by the South Australian government to introduce a new country health plan. I have spoken about it in this place on a couple of occasions before. The South Australian government proposed that 43 hospitals in regional and rural areas be downgraded to GP Plus Health Care Centres, which is, I think, a public service euphemism for band-aid centres. There was a large degree of public outrage. There have been public meetings all over the state. In my electorate, we had 400 at a meeting at Cummins and 800 at a meeting at Yorketown, all outraged by the fact that these local services, these local hospitals, which local communities have worked very hard to build, were going to be downgraded. In fact, at Yorketown, the public were told by a health official that, when they needed more care than their local first aid centre could accommodate, people could just quietly travel the 4½ hours to Whyalla, which was going to be their regional hospital, and pick up the health care they needed there. In fact, this town is only two hours drive from Adelaide, so you can understand how the public would be outraged with some of these suggestions.

As a result of that, the government has had to recant and install a committee to go back and draw up a new country health plan. I am not surprised it has had to do that. But, on the basis of this, one has to ask what it was trying to do—and what it was trying to do was save money. The reason it was trying to save money is that hospitals are under pressure. We all know hospitals are under pressure. This move to increase the threshold will only increase that pressure on public hospitals. Historically, health as a proportion of GDP keeps growing. In 1987, it was 7.4 per cent of GDP. In 1997, it was 8.3 per cent of GDP. By 2007, it had grown to nine per cent of GDP at a time when our gross domestic product had grown by a number of times. This bill just loads up the systems further.

I would like to tell you a little about my involvement with country hospitals in the past before I came to this place. I spent 10 years on my local hospital board, seven as chairman, and three years as chairman of my local area health association. Money has always been short in public health. This is not a new thing just happening at the moment. Money is always short, and this will continue. Health is going to take an increasing part of the Australian economy over the next 40 years as we deal with our ageing population. One of the things we used to do was sit around and work out how, in a hypothetical way, we could divide up the health budget in a fairer and more meaningful way. At what stage do you stop providing services to people? When should we just let them pass away? When is the public dollar wasted? Thankfully, we have not reached that stage yet, and I hope we never will. That was al-
ways the absolute commitment of the people that we worked with, but it just brings home how difficult these balancing acts are.

We must ask what role private health insurance and the private hospitals play in this system. At the moment, we have 44.7 per cent of Australians, or 10.9 million people, who have private health cover. This is up from the 33.9 per cent—falling at two per cent a year—at the time the previous Labor government fell to the Howard government. I think, if we had allowed that situation to continue, we would probably be down to a level of 25 per cent of public insurance at the moment or lower. The industry would have collapsed. The government says that we on this side of the House want to force people into private health care. Far from it. We want to encourage people into private health care. We want them to make a choice which is good for them and good for Australia. Over the past dozen years or so, we have done this through the system of taxation rebates where 30 per cent rebates are offered to people under 65; 35 per cent for those from 65 to 70; and 40 per cent for those over 70. Add the Lifetime Health Cover and the Medicare levy surcharge. All of these programs were opposed by the Labor Party. The Labor Party has had the private health industry, the private hospitals and the private insurance industry clearly in its sights for many, many years. This latest move is just the latest expression of that.

Without those measures, as I said, we would probably be down to 25 per cent or lower. Billions of dollars would not clear the backlog. The premise of these measures is that it is better for the taxpayer to pay 30 or 40 per cent of patients’ hospital bills than to pay 100 per cent. Why not allow those who can in our community, those who have capacity, those who want to have a choice, to pick up the extra? That is what they get—they get a choice. To maintain that people do not want a choice is, of course, a ludicrous proposition. What holds people back is that they cannot afford the choice.

The government initially planned to shift the thresholds even higher to $100,000 for singles, and it drew widespread condemnation from the industry and from people at large. It is just a sign that the government really does not understand what the ramifications of this move will be. Predictions by Access Economics and Pricewaterhouse are for a dropout figure of around one million people by 2012. On original estimates, even the government figure of 644,000 in the rising unemployment situation that we face at the moment, which the government and the Treasurer have acknowledged only in the last few days, these would have to be conservative figures. Because the government was forced to acknowledge the problems, not just here but in the community at large and certainly in the Senate, the new amendments have dropped the thresholds to $75,000 for singles and maintained the $150,000 for couples.

Now the government figures show that only—only!—583,000 people are going to drop out of private health. The member for Braddon has just made a spirited speech telling us that we are overselling the fact that people are going to be dropping out of private health. I point out to him that the government’s own figures are saying that 583,000 people are going to drop out of private health. That is a very substantial number. While I am on the member for Braddon, I point out that he asked the question, ‘Why did the previous government allow the private health industry to put up its fees faster than the growth in the CPI?’ That is exactly what the current Minister for Health and Ageing said a little over 12 months ago when she was the opposition spokeswoman for health, and as soon as she became the health minister she approved an increase of almost
five per cent in fees. It makes you wonder. It is very easy to throw these stones from opposition, but when she was in the seat she acknowledged that health inflation runs in front of the CPI.

Only 583,000 people, by the government figures, are now going to drop out of their private insurance. That means that the taxpayer is going to pick up 100 per cent of the bill for those 583,000 people instead of 30 per cent of the bill. This will have serious ramifications and will be an ongoing impediment to the health budget going forward. As a result, we are going to need a number of new facilities around Australia that we would not have needed without these changes. One can only surmise that this is just the thin end of the wedge and that the government clearly has the private health industry in its sights, as the Labor Party has for the last 30 years.

We are going to need new facilities, and we will have underutilisation of the private hospital system that exists at the moment. You cannot shrink the market by seven to eight per cent and expect to be running at full capacity. Access Economics predicts that 770,000 extra incidents will end up in the public health sector on an annual basis by about the year 2012. The government talks of tax relief, saying that families need tax relief. Shifting the demand from the private health sector to the public sector will ultimately lead to higher taxes, not lower. There is no other answer. As we have to build these new facilities and fund the extra admittances, there will be an increased demand on the Australian taxpayer. Unbelievably, this policy will reduce government outlays on health. By the budget figure, there will be a saving of $354 million through payments of fewer rebates to fewer policy holders at the same time as putting almost 800,000 extra patients in public hospitals. Of course there will be extra strains on the system.

The government expects that the young and healthy will drop their private health insurance first—they are the lowest users of health services. Private health companies will have no choice but to raise their premiums. There is no allowance for the second wave effect. The government has no modelling to show what will happen once the premiums rise. At the moment it is basing its figures on the current premiums, but we know the premiums are going to rise. Older Australians are the biggest users of the health dollar and they have a track record of maintaining their health cover through thick and thin, but they cannot be stretched forever. There is no pension increase in sight, something that has been raised in this House on a pretty regular basis of late, and they will be asked to foot a heavier bill for their private health insurance. There is no doubt that large numbers of these people will say, ‘I can no longer do this.’ So this move, which on the surface has some attraction for the punter out there on the street, Mr Joe Average, will in fact lead to higher taxation for them in the long term, it will lead to added strains on the public health service, it will lead to unused capacity in the private health sector, and it should be opposed.

Mr CRAIG THOMSON (Dobell) (7.56 pm)—I rise to support the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. The purpose of the bill is to adjust the Medicare levy surcharge threshold for individuals and families. The bill will increase the thresholds to $75,000 for individuals and $150,000 for couples and families. It will also index these thresholds against future wage growth. The changes proposed in this bill will deliver, most importantly, tax relief to working families who are struggling with day-to-day household budgets. It is clear that any such relief to Australian families is important,
especially in these times of global financial uncertainty.

But those on the other side have no regard for these people; otherwise, they would be supporting this bill. I recall the opposition trying to lecture the government on the notion of being out of touch. Who is really out of touch? The opposition still cannot explain why it is not supporting tax relief proposed under this bill. They are measures that will deliver immediate tax relief to 330,000 Australians. That is a significant number of Australians who are out there today waiting to try and get this tax relief. For two average income earners, each earning about $60,000, this will deliver a saving of $1,200 in its first year. These changes will also give working families a real choice about whether they wish to take out private health insurance rather than being forced into it. The alternative is a tax that they cannot afford to pay. The issue with private health insurance and the choice that needs to be made by a family is: are they going to get value for money? Is it going to deliver the things that they need? Is it something that is worth doing for them? If it is not, they should not be penalised for choosing not to take out private health insurance, but those opposite seek to do so.

In the budget, the Rudd government announced it would raise the income thresholds at which people have to pay the Medicare levy surcharge if they do not have private health insurance. We need to go back and have a look in history. When this tax was first introduced in 1997 it was meant for high-income earners, but now working families have become disadvantaged by it. How can we say that someone earning a wage of $60,000 a year is wealthy? We need to be making sure that there is income tax relief by passing this legislation so that working families who do not see the value in taking out private health insurance are not slugged with a tax increase. This is why we must raise these income thresholds—so that the tax increase that they do not deserve is not foisted upon them. It is simply unfair that people who are earning those sorts of wages are being hit with a tax slug left to them by the Liberal Party.

The Rudd government wants to deliver tax cuts to 330,000 Australians, but the Liberals and the Nationals just want to block these changes. So much for the Leader of the Opposition’s heart-tugging statement when he first became leader:

I know what it is like to be very short of money … I know Australians are doing it tough, and some Australians, even in the years of greatest prosperity, will always do it tough.

It seems that they will always do it tough, all right, if they have to put up with Liberal Party policies, because Liberal Party policies will ensure that they pay more tax. What this bill proposes to do is to give relief to working families who are being unfairly taxed.

We have a scenario under which the Leader of the Opposition has one of his first tests on which he can choose which side he wants to come down on: whether he wants to help working families or not—whether he really does understand the hardship that people are going through in the community—whether he wants to be on the side of families who are struggling to make sure that their household budgets meet daily costs or whether he wants to come down on the side of big health insurance companies. This is a chance for the Leader of the Opposition to show where he stands. But I think he is going to be found wanting. I think he is going to be found wanting like the Liberal Party has constantly been found wanting in relation to this debate.

The blocking of this bill will only prove that the Liberals do not understand the financial pressures facing working families; they do not understand the daily pressures that
families are under; and they are completely out of touch with ordinary people. The other side are acting just like they did in government, simply ignoring the growing pressures on families. As far as the opposition are concerned, the need for any help when the family budget is tight just does not exist. The behaviour of the Liberals and the Nationals shows that they stand for tax slugs on working families who just cannot afford not to have those tax cuts. How have all the Liberal and National senators explained to working families under financial pressure why they blocked relief for 330,000 Australians? How can members come to this place or the other place and stand up say, ‘We are here representing people in our constituency but we are going to block them from getting a tax cut’? How can they do that? How can they go back to their electorates and say that they are representing families—families who are doing it tough? They simply cannot unless they pass this legislation.

May I remind the House that when the Medicare levy surcharge tax was introduced it was meant to apply to high-income earners to encourage them to take out private health insurance. The rationale at the time was that those who could afford to take out private health insurance ought to be encouraged to do so. At the time the then health minister, Michael Wooldridge, said:

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

That was the basis upon which the Liberal Party brought in this particular measure. But they are not standing by that measure now. They are not saying that this is the principle that they have continued to believe in. No longer is that the case. Now they are in the camp of the private health insurers and are trying to protect their backs rather than looking out for working families and people whom this tax was never meant to apply to. They are saying that those people need to continue to pay this tax even though we know that families are doing it tough and need any tax relief that they can get.

The average income has increased but this policy simply has not kept up with the changes. It is now at the point where people earning below the average full-time wage have to either take out private health insurance they cannot afford or pay a tax that is supposedly only meant to apply to high-income earners. Under the Liberals the Medicare levy surcharge became a tax trap that has caught more and more working families, and the Liberal Party does not care. The Liberal Party simply say: ‘If they are caught, that is fine. We are in the camp of the private health insurance lobby. We want to make sure that they are looked after. We don’t care about working families. They can pay this tax.’

When you look at when this policy was introduced and how many people were affected by it, you see that only 167,000 people paid the surcharge. By 2005-06, this number had risen to 465,000 Australians paying the surcharge. Our changes will restore fairness to this policy and genuine choice for hundreds of thousands of Australians. It will mean that Australians can actually choose whether they want to take out health insurance on the basis that, one, they are going to get a 30 per cent rebate, which is still there; and, two, that health insurance is going to provide a product for them that they think is worthwhile taking out. That should be what the choice is about: whether it is worth them doing it. It should not be a situation where people who should not be paying this tax increase are being forced into paying it simply because we have an ideological position being put from those opposite.
On what we hear from the other side—and it is absolute hypocrisy that we have heard continually—in terms of the effects that this is going to have on the public system let us look at the respective records of the parties in relation to the public health debate and where they fall. On this side of the House, the Minister for Health and Ageing, who is now in the chamber, has already announced an additional billion dollars to go into public health this year. She and this government have put their money where their mouth is. We have made a real commitment to actually addressing and putting further money into the public health system. This of course is in stark contrast to the Liberal Party, which coincidentally ripped a billion dollars out of the public system in 2003. We consistently saw a decrease in the proportion that the former government, when they were in office, paid relative to the states in terms of the public health system. They were consistently in a situation where they disinvested and did not keep up with the proportion of payments that they made when they first came to office back in 1996. They have left the mess of funding in public hospitals to the Labor Party, to the Rudd government, to try to address.

The current government has also invested $600 million in elective surgery with fantastic results already. I can say that more than 14,000 additional patients have received their surgery from this initiative, with another 11,000 to be undertaken this year. We have also established the $10 billion National Health and Hospital Fund to invest long term in our health and hospital system. The Rudd government has looked at increasing the number of university places for training nurses and other allied health professionals. One of the great crimes of the previous government was not training enough health professionals in our universities. They did not train enough nurses so that there were shortages in these vital professions in the health industry. That caused undue hardship to people trying to access the health system. Let us look at what the coalition stood for in terms of public health. The Labor Party, the Rudd government, which has only been in government for 10 months, has done more for public health in those 10 months than those opposite did in 11½ years. We on this side have moved things forward in terms of public health. We have made a positive contribution rather than taking money away and making the public health system far worse, which is what happened under the coalition.

This matter is about making sure that working families are not slugged with a tax that they should not have to pay. There are 330,000 Australian citizens out there right at this moment who are not high-income earners and who should not be paying this tax. But unless this bill is passed they are going to be slugged with that tax. This is something that needs to stop. If the opposition believe that choice is a real issue, then they should be supporting this bill so that families can make a real choice. If they believe that it is worth taking out health insurance or if they believe that they do not need to do that, they should be able to make that choice. They should not be slugged with a tax that they cannot afford simply because the opposition wish to be in the corner of the big private health insurance companies. This is an important piece of legislation. It has been consulted on widely and has a wide range of support. It is legislation that should be passed, and I commend it to the House.

Debate (on motion by Ms Hall) adjourned.
Ms HALL (Shortland) (8.10 pm)—by leave—I move:

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

Question agreed to.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (8.11 pm)—in reply—I thank the members who have taken part in the debate on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008. This bill will increase the Medicare levy surcharge thresholds for individuals and families, delivering immediate relief to many thousands of Australians on modest incomes, as we have heard from many speakers on this side of the House. The surcharge imposes a one per cent increase in the Medicare levy liability on individuals above the threshold who do not have private health insurance for hospital cover. This bill increases the thresholds from $50,000 to $75,000 for singles and from $100,000 to $150,000 for couples and families. The amendments will apply to the 2008-09 year of income and later years.

In addition, the singles threshold will be annually indexed to movements to average weekly ordinary time earnings and will increase in $1,000 increments. I note for the House that, in order to ensure that taxpayers are not disadvantaged by the change in the singles threshold that was proposed in the budget announcement, the law will be amended so that as long as the taxpayer obtains appropriate private health cover before 1 January 2009 they will avoid the Medicare levy surcharge for the period 1 July to 31 December 2008.

The Medicare levy surcharge was introduced in 1997 with the stated goal of targeting high-income earners. Wages have increased more than 55 per cent since then, pushing many people on modest incomes who cannot necessarily afford private health insurance into the net. Hundreds of thousands more Australians on modest incomes have been paying this tax each year as the threshold lost relevance with wages growth. Families with two income earners on $60,000 each who have been paying this tax would get relief via this bill of $1,200 in a year, an amount not to be sneezed at—although the Liberals are very dismissive of it.

We need to remember that these thresholds were not developed through some scientific or empirical methodology. Former health minister Wooldridge has admitted that they were negotiated with Senator Harradine over a bottle of Jameson whiskey.

The increase in the thresholds delivers tax relief and, if passed, will help reduce financial pressure on many working families who would have previously been subject to the Medicare levy surcharge. This measure will provide an immediate benefit for 330,000 taxpayers who will no longer be liable for the Liberals’ unfair tax. In addition, it will benefit over two million Australians by providing them with a real choice in their decision to take out private health insurance without the imposition of a penalty. That choice is supported by a rebate of between 30 per cent and 40 per cent for those who do take out insurance, but the tax penalty will only remain for those well above the average wage.
The Liberal’s new health spokesman has not covered himself in glory in debate on this particular bill. He said that if we wanted to provide tax relief we should use the tax system. Excuse me: this is actually using the tax system. The tax his government increasingly used as a penalty is paid through the tax system. This is a tax laws amendment bill. So that argument is a particularly silly proposition.

Those opposite have said that this measure will drive hundreds of thousands of people to join hospital waiting lists, painting a picture that all 330,000 people who will get tax relief if this measure is passed will immediately be struck ill or need a hip replacement—something we of course know is not true. In fact, the 330,000 who most immediately benefit from this tax relief are the ones already reliant on the public health system. They cannot add further to the waiting lists if they have needs; they are already on those lists and the Liberals are ignoring those people.

If we want to look at public hospitals and waiting lists, let us look at what we have already done. In contrast to those opposite, who when they were in power pulled $1 billion out of hospital funding, this government in its short time in office has already injected an extra $1 billion back into our public hospitals. The government has also committed a further $600 million to reduce elective surgery waiting times, especially for those patients who have been waiting for longer than clinically recommended. Already more than 14,000 people have had surgery as a result of this Commonwealth money for elective surgery blitz. I see the opposition spokeswoman for ageing rolling her eyes, but I need to tell you that that is 14,000 more people than you helped during your entire time in government. Not a cent of Commonwealth money during the period of the Howard years was targeted towards elective surgery, so this new-found concern by those opposite about public hospitals is simply fake.

Further, we will establish a $10 billion health and hospital fund which will be available to fund major health infrastructure, new medical technologies, new medical research facilities and other infrastructure that will help to drive the reform that is needed in our health system. This is the biggest Australian investment in health infrastructure ever.

The government has committed to maintaining the private health insurance rebate, which provides support to the private health sector to the tune of approximately $3½ billion a year. Contrary to some of the overblown contributions from those opposite, Labor is far from throwing the private health sector out into the cold. In fact, the government has expressly made it clear that it believes the old paradigm of a split between public and private health systems is no longer a viable policy perspective if indeed it ever was.

We have also committed to maintaining the Lifetime Health Cover measure, which kicks in at the age of 30. We can see that this amendment bill is not an isolated reform. It manages to provide much-needed tax relief and at the same time it has been coupled with a massive investment in the public sector and the maintenance of carrots and sticks in the forms of the private health insurance rebate, Lifetime Health Cover and a surcharge for people on higher incomes.

So let us stop this false debate. If the Leader of the Opposition wants to provide tax relief, he can do it right here and right now—hundreds and thousands of Australians will thank him for letting us provide them with this much-needed relief—or he can leave them shaking their heads wondering what it is that the Liberal Party stands for. It is time to make that clear, to vote for or
against tax relief for 330,000 Australians, and he can do it right now.

Question put:
That this bill be now read a second time.

The House divided. [8.22 pm]
(The Deputy Speaker—Ms S Bird)

Ayes………….. 73

Noes………….. 53

Majority……….. 20

AYES

Adams, D.G.H.
Bevis, A.R.
Browen, C.
Burke, A.E.
Butler, M.C.
Campbell, J.
Cheeseman, D.L.
Collins, J.M.
D’Ath, Y.M.
Dreyfus, M.A.
Ellis, A.L.
Emerson, C.A.
Ferguson, M.J.
Georganas, S. *
Gibbons, S.W.
Gray, G.
Griffin, A.P.
Hall, J.G.
Jackson, S.M.
Kerr, D.J.C.
Livermore, K.F.
Marles, R.D.
McKew, M.
Melham, D.
Neal, B.J.
O’Connor, B.P.
Owens, J.
Perrett, G.D.
Raguse, B.B.
Ripoll, B.F.
Roxon, N.L.
Shorten, W.R.
Snowdon, W.E.
Symon, M.
Thomson, C.
Trevor, C.
Zappia, A.

NOES

Abbott, A.J.
Baldwin, R.C.
Bishop, B.K.
Briggs, J.E.
Chester, D.
Cobb, J.K.
Coulton, M.
Farmer, P.F.
Georgiou, P.
Hartsuyker, L.
Hawker, D.P.M.
Hull, K.E. *
Jensen, D.
Keenan, M.
Lindsay, P.J.
Marino, N.B.
May, M.A.
Morrison, S.J.
Nelson, B.J.
Pearce, C.J.
Randall, D.J.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
Truss, W.E.

* denotes teller

Question agreed to.

Bill read a second time.

Third Reading

Ms ROXON (Gellibrand—Minister for Health and Ageing) (8.30 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

PETITIONS

Statements

Mr ADAMS (Lyons) (8.32 pm)—I have the opportunity to speak on petitions tonight. The new House of Representatives Standing Committee on Petitions can report to the House that the changes made at the beginning of 2008 to the way that the electorates
of Australia can petition the parliament, the way those petitions are dealt with and the responses to those petitions are going very well. Some members are well aware of and on top of the changes, and the new petitions procedures are working extremely well. I ask members to bring themselves up to speed on the new procedures and to really encourage their electorates to take advantage of the new processes. The committee has had very positive feedback on the new system, and we are all enjoying being on this new committee, which is giving people an opportunity to have their petitions presented in new ways to the Australian parliament.

Petitioning is an old process which goes back centuries and centuries. I have learnt from history that people on both sides of my family who were convicted of certain offences years ago had petitions taken up on their behalf, to no avail, unfortunately—or maybe fortunately for me since I am here. We all understand that petitioning has been around for a long time, and I know that some members are quite pleased that there is a new process in place.

Now the Petitions Committee can hold hearings, call witnesses from government departments and also visit states and territories, which we are intending to do, to hear concerns of principal petitioners. They now make up the main process of petitioning. There must be a principal petitioner who the committee can contact for details and also to seek clarification. We now have a way of giving petitions a deeper meaning for the Australian people, and that is a very fine thing.

The committee has held several public hearings here in Canberra and they have worked out very well. We have gained great information for many people who have petitioned the parliament. I moved just recently that the Petitions Committee hold an inquiry into introducing an electronic petitioning scheme for the House of Representatives. Not only young people but many other people as well can find it very hard to find ways of accessing the parliament that they feel give them some voice in the parliament. So many may find using modern communications and being able to e-petition the parliament a way of doing that.

There are many issues that we need to deal with in this area, and I hope that some of the submissions will give us some opportunities for overcoming some of those issues as we seek answers through our inquiry. I look forward to the maturing of our committee and the maturing of the opportunities that we as a parliament now have to take this new direction in letting people petition the parliament. If people feel that they have a message for the parliament, they can receive answers to the petitions that they present to the parliament. It is a great opportunity. I am very honoured to be a member of the committee and I look forward, as I said, to the maturing of the processes in the future.

Presentation

Mr Broadbent—On behalf of the Standing Committee on Petitions, and in accordance with standing order 207, I present the following petitions:

Service Pension

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

We the undersigned are members of the Nepean Wives of Vietnam Veterans’ Womens Support Group Incorporated which is a self help and support group for wives and widows of Military Veterans. Wish to draw to the attention of the house our objection to the changes made by the government to the Service Pension as at 1st January 2009.

That we believe that we should be treated with the respect we deserve as we have supported Australia’s returned servicemen through many turbu-
lent years and sometimes to the detriment of our-
selves and our children.

Your petitioners therefore request the House:
To create a special service pension payable to all
wives of returned servicemen so long as that wife
should remain either the legal wife or common
law wife, or after the time of separation or di-

by Mr Broadbent (from 30 citizens)

Marriage Legislation

To the Honourable the Speaker and Members of
the House of Representatives assembled in Par-
liament.
The petitioners and citizens of Australia draw to
the attention of the House that
1. In 2004, the Commonwealth Parliament
amended the Marriage Act 1961 to define mar-
rriage as “the union of a man and a woman to the
exclusion of all others, voluntarily entered into
for life”.
2. This reinforced the Biblical norm of heterosex-
ual marriage, which has been the cornerstone of
every civilization since the beginning of human-
ity.
3. The word ‘marriage’ is thus appropriate only
for legally united heterosexual couples, who are
able to model dual-parenting that is balanced
(providing both father and mother role models),
natural (as to male-female physical union), and
morally acceptable to God (bringing up children
within the marriage bond).*
4. The establishing of Relationship Registers in
the States and Territories will inevitably expand
the above definition of marriage (para. 1) into
meaninglessness, and so compromise the purpose
of the Marriage Act. Your petitioners therefore
pray that, with the powers vested exclusively in
the Federal Parliament under Section 51 (xxi and
xxii) of the Australian Constitution, you amend
the Marriage Act 1961 to invalidate any present
or future States’ or Territories’ Relationship Reg-
isters.

* Genesis 1:27; Matthew 19:4-6; Leviticus 18:22;
Romans 1:18-27

by Mr Broadbent (from 34 citizens)

Commonwealth Scientific and Industrial
Research Organisation: Merbein Staff

To the Honourable the Speaker and Members of
the House of Representatives assembled in Par-
liament.

This petition of the concerned residents of Sun-
raysia, located in the Federal Seat of Mallee
draws to the attention of the House: the urgent
need for the immediate reversal of the decision to
relocate the CSIRO facility staff to Adelaide,
from their current location in Merbein. We there-
fore ask the House to reverse this decision as the
ramifications to the district’s horticultural and
viticultural industries could be disastrous.

by Mr Broadbent (from 155 citizens)

Philippines: Social Security Agreement

To the Honourable the Speaker and Members of
the House of Representatives assembled in Par-
liament.

This petition of certain citizens of Australia draws
the attention of the House that Filipinos are a
recently arrived migrant group totalling more than
120,500 across the country who easily integrate
into Australian society, are willing to contribute to
the community and participate in the workforce
but often family ties and responsibilities necessi-
tate occasional return to the Philippines.
In recognition of the contribution made to Austra-
lia and the continuing strengthening of ties be-
tween our two nations we therefore ask the House
to establish a Social Security Reciprocal Agree-
ment between Australia and the Philippines.

by Mr Broadbent (from 48 citizens)

Australia 2020 Summit

To the Honourable the Speaker and Members of
the House of Representatives assembled in Par-
liament.

This petition of Certain Citizens of Australia,
draws to the attention of the House:
Kevin Rudd had promised the People of Australia
that the 2020 Summit will be an ongoing process.
All correspondence concerning the requests for
the government to expand the capabilities of its
2020 Summit web site to accommodate increased
participation by the People of Australia (such as
including forums within submissions), is either unanswered or answered in the negative.

An apparent mass desertion from the 2020 Summit signifies a failure of the government to make good on its promise to the People that the Summit be an on-going process. Clearly, the 2020 Summit cannot be considered to be a “fair go” for all the People of Australia if the government prevents them from communicating with each other.

The promised response to the People’s suggestions by year end is quickly approaching.

We therefore ask the House to:

Get a formal public response from Kevin Rudd that he is committed to keep the on-going 2020 Summit process open to the People of Australia as promised, respond to their needs for a more efficient communications process in same, and to properly promote the process to the People of Australia—many of whom currently are unaware that the 2020 Summit is an on-going process in which the People must not be denied a part in creating a new Australia.

by Mr Broadbent (from 30 citizens)

Petitions received.

Responses

Mr Broadbent—Ministerial responses to petitions previously presented to the House have been received as follows:

Moorabbin Public Golf Course

Dear Mrs Irwin

I refer to your letter seeking my comments regarding the terms of the petition for the Moorabbin Golf Course.

I understand that representatives from Kingston City Council recently met with the Hon. Anthony Albanese MP, Federal Minister for Infrastructure, Transport, Regional Development and Local Government, to outline concerns relating to the current Moorabbin Airport Master Plan.

Council has also formally requested Minister Albanese to use his powers under section 78(2) of the Airports Act 1996 to require the Moorabbin Airport lessee to prepare a revised draft Master Plan to replace the current Master Plan. The primary basis for this request is:

- The issues raised by the Master Plan in relation to the potential to introduce a new ‘full line’ supermarket on the airport site.
- The potential loss of leased land which has been the home of Council’s Municipal Public Golf Course and its conversion to urban activities despite the land’s non-urban designation.

In a letter to Council of 7 May 2008, I provided support for the review of the current Master Plan to ensure that the uses on this site are consistent with State and local planning policy, including Melbourne 2030 and the Kingston Planning Scheme.

I also understand that Council made a submission on 27 June 2008 to the National Aviation Policy Statement - Issues Paper April 2008 which was sent to the Federal Minister for Infrastructure, Transport, Regional Development and Local Government.

The current Moorabbin Airport Master Plan raises a number of issues from a State planning perspective, previously identified in the Department of Sustainability and Environment’s submission on the preliminary draft Moorabbin Airport Master Plan 2004 (31 May 2004).

I provide the following comments in relation to the current Master Plan;

- Melbourne 2030 Policy 4.3 identifies Moorabbin Airport as “an important regional and State aviation asset and its continued use as a general aviation airport is vital”. Melbourne 2030 states that “The Government will work with the airport operators to ensure that future development of the site encourages uses that support and enhance the State’s aviation industry generally and take into account potential growth that could result from the closure of Essendon. The Moorabbin Airport Master Plan should reflect the principles of key Government strategies, including Melbourne 2030”.
- The current Moorabbin Airport Master Plan recognises the important aviation role that Moorabbin Airport contributes to the Victorian economy. However, it also provides for substantial non-aviation uses on the site, which raises concern about the Plan’s consis-
tency with State and local planning policy, including Melbourne 2030, particularly in relation to the proposed expansion of retail uses on the site.

- Melbourne 2030's activity centre policy (Direction 1 - A more compact city), seeks to concentrate a mixture of land uses and developments around key transport nodes in a defined network of activity centres. Melbourne 2030 discourages out-of-centre development and contains guidelines for assessing new out-of-centre development.

- Moorabbin Airport is not defined as a principal or major activity centre in Melbourne 2030, and has limited access to the Principal Public Transport Network. The nearest principal and major activity centres within the City of Kingston are located at Cheltenham, Cheltenham (Southland) and Mentone. The airport has a very limited residential catchment and is unsuitable as a location for general retail and community services. As such, non-aviation related development at Moorabbin Airport is regarded as out-of-centre development in the Melbourne 2030 context.

- Kingston City Council has previously raised concerns about the impacts of retail expansion at Moorabbin Airport upon the City's established retailing uses in the three activity centres listed above. Any expansion of retailing uses at the airport (be that a supermarket, department store and/or restricted retailing uses) is not considered to be ancillary to the aviation role of the airport, and would be inconsistent with Melbourne 2030.

- Melbourne 2030 also seeks to better manage metropolitan growth (Direction 2) by establishing an urban growth boundary around the urban areas of metropolitan Melbourne and protecting Melbourne's green wedges from inappropriate development. The Moorabbin Airport sits outside the urban growth boundary and within the South East Green Wedge. This designation recognises the airport's role as a major transport facility, and the need to ensure surrounding development does not compromise future airport uses. Expansion of non-aviation uses on the airport site is generally inconsistent with green wedge policy, and could potentially compromise the primary role of the airport into the medium and long term.

- The imminent expiry of Kingston City Council’s lease to operate the Municipal Public Golf Course on the airport site raises questions about the future use of this land. Retention of the golf course on the airport site would be well aligned with the Government’s green wedge policy, and would not compromise the future use of this land for aviation uses. Conversion of this land to retail uses would not be supported.

In light of the above comments, I support a review of the current Moorabbin Airport Master Plan to ensure that the uses on this site are consistent with State and local planning policy, including Melbourne 2030 and the Kingston Planning Scheme. Any review should include a thorough investigation of the immediate and long term aviation needs of the airport.

from the **Victorian Minister for Planning, Mr Madden MLC**, to a petition presented on 26 May by **The Speaker** (from 1,192 citizens)

**Swan Electorate: Medicare Office**

Dear Mrs Irwin

Thank you for your letter of 25 June 2008 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, on behalf of petitioners, about the waiting times at the Booragoon Medicare office and the establishment of a Medicare office in Belmont, Western Australia. As Medicare Australia falls within my responsibilities as Minister for Human Services, your letter has been forwarded to me for response.

Medicare Australia delivers a high level of service to the Australian people with public satisfaction levels consistently at 90 per cent and waiting times averaging three minutes and 40 seconds, and around 90 percent of people served in less than ten minutes. It is, however, always looking for ways to improve service to the public.

Medicare Australia is aware of longer than normal waiting times being experienced in the Booragoon Medicare office during 2008. Through
its regular queue monitoring activity, Medicare Australia became aware of the service challenges in this office and is working with the Booragoon office manager to improve service levels.

This Government is committed to ensuring the public has access to important Government services through all channels including face-to-face where it is needed. The presence of a Medicare office in Belmont is under active consideration by the Government.

To complement the network of Medicare offices, Medicare Australia has developed a range of alternative ways of accessing its services with the aim of providing a more convenient service for the public. Electronic Medicare claiming is available in participating medical practices. Medicare benefits can also be claimed via the telephone, by calling 1300 360 460 for the cost of a local call at any time or day of the week. In addition, Medicare claims can be posted to GPO Box 9822 in your capital city.

I can assure you that the Government will continue to review and update the availability of Medicare services in response to changing demographics, emerging technology and customer demands and preferences.

Once again, thank you for writing. I trust my comments are of assistance.

from the Minister for Human Services, Senator Ludwig, to a petition presented on 23 June by The Speaker (from 11,994 citizens)

Pensions and Benefits
Dear Mrs Irwin
Thank you for your letter of 25 June 2008 about a petition submitted by the Moreland Senior Citizens Action Group seeking a change in the indexation of pensions to 30 per cent of Male Total Average Weekly Earnings (MTAWE) in lieu of the current 25 per cent. I apologise for the delay in responding.

I understand that some pensioners are under financial pressure. Food, electricity, gas and petrol prices are going up, making it harder to make ends meet.

Since coming to office, we have taken a number of important steps to help pensioners. We are paying seniors an increased Utilities Allowance of $500 a year (single or couple combined). Allowance is paid in quarterly instalments in March, June, September and December to assist with quarterly utilities bills. These are permanent increases. The first $125 instalment of the increased Utilities Allowance was paid in March 2008.

For the first time the Utilities Allowance has been extended to all recipients of Carer Payment, Disability Support Pension, Widow B Pension, Invalidity Service Pension, Income Support Supplement, Partner Service Pension, Wife Pension and Bereavement Allowance.

Commonwealth Seniors Health Card holders and certain Gold Card holders have also received an increased Seniors Concession Allowance of $500 a year which will be paid quarterly, in line with the Utilities Allowance.

In addition, we have increased the Telephone Allowance to $132 a year for seniors who have a home internet connection. This is available for eligible veterans, income support recipients of age pension age, Commonwealth Seniors Health Card holders and recipients of the Carer Payment and the Disability Support Pension.

All eligible seniors have each received a $500 bonus payment resulting from the Government’s first Budget. The $500 bonus was paid directly into bank accounts in June 2008.

There’s also extra help with dental and aged care, and we’re working with the States and Territories to make it cheaper for Australians with a State Seniors Card to travel interstate to visit friends and family from 1 January 2009.

These measures are helping pensioners with cost of living pressures. We are now spending $25 billion a year on the Age Pension.

It is timely to comprehensively review the pension system to determine what more needs to be done. The system needs to be reviewed in light of issues that have been growing steadily over the last decade.

This Government is committed to getting this right for the long term.

To do the job properly, we’ve begun a comprehensive review of retirement incomes as part of a
review of Australia’s tax and welfare system. This kind of review was the key recommendation from the recent Senate Inquiry into the cost of living pressures on older Australians.

Getting this right is more complicated than it appears at first glance. Since the Age Pension was introduced a century ago, other income support payments and allowances have been built onto the Age Pension. This means that changes to the Age Pension can affect the rest of the system. We need to consider how extra assistance can be best directed to those most in need. The indexation of pensions will be examined as part of the review.

The Pension Review will investigate the appropriate levels of income support and allowances; the frequency of payments; and the structure and payment of concessions or other entitlements. The Pension Review will be completed by no later than the end of February 2009. When the review is complete, the Government will respond swiftly. We will carefully consider options to reform the pension system to ensure that any changes are sustainable.

To ensure Dr Harmer hears of people’s views, a reference group comprised of representatives from seniors and community groups has been established and a public consultation process is underway to inform the review.

Thank you again for writing on behalf of the Moreland Senior Citizens Action Group.

from the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin, to petitions presented on 23 June and 22 September by The Speaker (from 1,813 citizens)

Australia Post: Services

Dear Mrs Irwin

Australia Post - petition request for a postal outlet in North Tamworth

Thank you for your letter dated 4 September 2008 concerning a petition submitted for the Committee’s consideration regarding a postal outlet in North Tamworth.

Under the Australian Postal Corporation Act 1989 Australia Post is responsible for the day to day running of the organisation, including all decisions relating to the location of postal outlets. As far as practicable it is required to perform its functions in a manner consistent with sound commercial practice.

Australia Post has advised that in determining whether additional postal outlets are required it takes a number of factors into account, including the location of existing outlets and the volume of business likely to be transacted.

I understand that there are four retail postal outlets in the general Tamworth area for a population of around 40,000. Australia Post’s NSW management has noted the level of development taking place along Tamworth’s north-western corridor but considers that the likely level of new business to be gained is insufficient to support an additional outlet.

Australia Post has advised that its NSW management will continue to review its retail network in the Tamworth area. I am informed that an Australia Post service representative will contact Northgate Centre tenants regarding the possibility of establishing a Postpoint facility within their business. This would ensure that customers at the shopping centre had access to a limited range of postage stamps and other basic postal products.

I trust this information will be of assistance.

from the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, to a petition presented on 1 September by Mrs Irwin (from 441 citizens)

Sri Lanka

Dear Mrs Irwin

Thank you for your letter dated 4 September 2008 on behalf of the Standing Committee on Petitions, concerning a petition on human rights in Sri Lanka.

Australia remains concerned about the escalation of violence in Sri Lanka, as well as the human rights abuses perpetrated by all parties to the conflict. These concerns have been made clear to senior Sri Lankan officials. Australia does not believe a military solution is possible and supports a negotiated political settlement to bring lasting peace to Sri Lanka.

I have released two public statements this year (attached), calling for all parties to the conflict in Sri Lanka to work towards a political solution that
meets the aspirations of all Sri Lankans. The Australian Government also strongly condemns terrorism in all its forms, including terrorist acts perpetrated by the Liberation Tigers of Tamil Eelam. We will also continue to encourage the Government of Sri Lanka to ensure that all Sri Lankan citizens are afforded their fundamental rights, including freedom of expression, and are able to participate fully in Sri Lankan society.

The humanitarian situation in Sri Lanka remains of deep concern to the Australian Government. Australia supplies humanitarian aid to Sri Lanka through the provision of food and other essential services to conflict-affected areas in the north and east where there are significant Tamil communities. Australia’s estimated Overseas Development Assistance (ODA) to Sri Lanka for 2008-2009 is $27.02 million. Since the beginning of March 2008, Australia has contributed over $5.8 million to United Nations (UN) agencies and international NGOs to provide emergency shelter, protection, water and sanitation and non-food relief items. The UN High Commissioner for Refugees has confirmed that existing Australian funding for emergency shelter assistance and emergency procurement of non-food related items is being used to assist internally displaced persons and conflict affected communities in the north and east.

The Government will continue to monitor closely the situation in Sri Lanka.

Thank you for referring this petition to me.

The Hon Stephen Smith MP

AUSTRALIAN MINISTER FOR FOREIGN AFFAIRS

Media release

6 January 2008

Australia concerned at recent developments in Sri Lanka

Australia is concerned about the Sri Lankan Government’s announcement that it intends to withdraw from the 2002 ceasefire agreement with the Liberation Tigers of Tamil Eelam.

This is a step backwards which Australia fears could lead to further escalation of violence, including against civilians.

I appeal to all parties to the conflict to protect the human rights of all Sri Lankans.

Sri Lanka’s conflict cannot be resolved militarily. Only a negotiated settlement can bring lasting peace. I urge all involved parties to submit to democratic processes and the rule of law and to work towards a political solution that meets the aspirations of all Sri Lankans.

Media inquiries: Mr Smith’s office 02 6277 7500 - Departmental Media Liaison 02 6261

from the Minister for Foreign Affairs, Mr Stephen Smith, to a petition presented on 1 September by Mrs Irwin (from 2 citizens)
Mr BROADBENT (McMillan) (8.39 pm)—I am pleased to have the opportunity tonight, as Deputy Chair of the Standing Committee on Petitions, to say a few words about the work of the committee and the way in which petitions are now being handled. Petitioning has a long history. In the English context, it can be traced back to the 13th century, but there is evidence of citizens sending pleas to their governments in other contexts including the Roman and Egyptian empires. The system we know today has its roots in two resolutions of the English House of Commons in 1669 asserting that it is the ‘inherent right of every commoner of England’ to present a petition to the House and for the House to consider the petition. The right to petition was eventually included in the English Bill of Rights in 1689. That same right exists today for any Australian to directly raise with the parliament a matter of concern to them.

The system of petitioning has evolved over the years. It is interesting to reflect on the sorts of concerns that cause people to petition. The first petition presented to the House of Representatives called for each sitting of the House to be opened with a prayer. Other petitions called for extension of the franchise to women, reform of legal tender, regulation of liquor sales and many petitions concerned about the possible use of post offices for the promotion of lotteries— to quote one petition, ‘to insure that the post office shall not be prostituted into the drudge of gambling’.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The time for the presentation of petitions has expired.

Ms ANNETTE ELLIS (Canberra) (8.40 pm)—On behalf of the Standing Committee on Family, Community, Housing and Youth, I present the committee’s report entitled The value of volunteering: a discussion paper on volunteering in the community and welfare sector, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Ms ANNETTE ELLIS—According to the Bureau of Statistics, more than five million Australians aged 18 years and over did voluntary work in 2006. These volunteers contributed a total of 713 million hours of unpaid work. It is estimated that volunteers contribute around $42 billion to the Australian economy each year. I am pleased to present the discussion paper The value of volunteering, on behalf of the committee. This paper is a distillation of the issues and outcomes of a lively, solutions-focused discussion at a one-day roundtable forum held in Sydney earlier this year. While the focus of the forum was volunteering in the community and welfare sector, the discussion was broad ranging. Indeed, many of the issues considered in relation to volunteering in the community and welfare sector are clearly applicable to the broad voluntary sector.

The committee acknowledges the importance of all forms of volunteering and its role in sustaining communities, promoting social inclusion and building social capital. This includes ‘informal volunteering’, which usually occurs outside of more structured organisational settings and which is frequently overlooked. The committee supports the application of a broad definition of volunteer-
The committee recognises that volunteers represent the backbone of service delivery in the community and welfare sector. Without these volunteers, the sector would not be able to function effectively. However, the rates and patterns of volunteering are changing. Many community and welfare organisations are finding it increasingly difficult to attract and retain new volunteers. The committee recognises the need for organisations that rely on volunteers to be innovative in the way they engage with, recruit and train volunteers. Particularly, the committee encourages the community welfare sector to consider more proactive approaches to engaging with younger potential volunteers, making greater use of age appropriate marketing and the full range of media and communications technology available.

The committee also strongly encourages organisations to seek greater involvement of volunteers from culturally and linguistically diverse backgrounds. Work-life balance has influenced the patterns of volunteering. Many more people are now seeking opportunities for shorter term volunteering which allows them to contribute to their community while also maintaining their other commitments. The committee recognises the importance of having a clear understanding of who volunteers, why and in what way. Therefore the committee supports the need to conduct more research on volunteering.

Adequate suitable training of volunteers and of managers of volunteers is critical to supporting a vibrant and sustainable voluntary sector. Where appropriate, the committee encourages organisations to explore options for accessing accredited training which is standardised and transferable. The committee encourages organisations to recognise the important role of managers of volunteers and the resources required to support the role effectively.

Change in public policies often has consequences for volunteers engaged in community based organisations. For example, the shift to a competitive tendering model of funding has resulted in many organisations reporting challenges in security of funding and their capacity to undertake longer term planning. While the committee recognises that government policy and priorities will change over time, the committee encourages all levels of government to consider the possible consequences of policy changes for volunteers and volunteering.

Corporate social responsibility and the increase in corporate volunteering presents opportunities for win-win outcomes where businesses can honour community obligations and organisations in the voluntary sector can build capacity. While not without its challenges, the committee is encouraged by the potential for expansion between businesses and organisations in the voluntary sector. We understand the need for transparency and accountability in the voluntary sector, but the committee believes that simplification of compliance requirements and support for cross-jurisdictional consistency could alleviate the administrative burden. The committee encourages government agencies to adopt an approach that balances their needs for accountability with risk management that is commensurate with the level of risk involved.

I would like to convey my thanks to all who participated in this forum, sharing their experiences and their knowledge with such evident passion and enthusiasm. I would also like to thank the committee members and the secretariat staff for their efforts. I commend the paper to the House.

Mrs MOYLAN (Pearce) (8.46 pm)—I rise to support the report of the Standing
Committee Family, Community, Housing and Youth into community and welfare volunteering arising from the recent roundtable. Volunteering and its diversity is the heart and soul of the Australian community. It is the glue which binds the nation. The lives of many in the community are made richer and given added quality through the unselfish sharing of time and talent of around five million Australians. Volunteers come from all walks of life, and at the heart of their efforts is a sense of community responsibility. But it is a win-win situation, as many derive a great deal of personal satisfaction, developing lifelong friendships and discovering hidden talents, from contributing to their community. One thing is for certain: volunteering contributes massively to our social and economic capital. The estimated value of volunteer work is $42 billion per year. Anyone who willingly gives unpaid help to, or through, an organisation is considered a volunteer.

This volunteering forum demonstrated that the sector faces both changes and challenges. Contemporary life fragments families and communities, making volunteering as important as it ever was. However, increasing administrative and legal complexities and the recruitment and training of volunteers, especially in an environment of full employment, could pose a threat to the volunteering core. On the other hand, the growth of corporate volunteering, where employees are given paid leave to do voluntary work, swells the diminishing ranks of the traditional volunteers, many of whom were women finding time between domestic duties to volunteer, and of course retirees. This report suggests that volunteering could be better recognised by all levels of government on a formal basis. In fact, this is why I, as a new member of parliament, established the Pearce Australia Day Award. As I travelled around the many communities of Pearce, I recognised the army of people donating their time to a variety of causes. Three women from the country town of Northam were amongst the first winners of the Pearce Australia Day award. Between them, they gave 90 years of service to the local Meals on Wheels, hardly missing a day. Awards have gone to children and 90-year-olds for their contributions, with examples too many to detail in the short time I have available. Ambulance drivers, fire fighters, visitors to the chronically ill and aged, environmental workers, and people working in arts, heritage and sports are amongst the many volunteer groups in the community.

The government’s role in volunteering is important in terms of funding, but it needs to be extended. For instance, more recognition is needed as to the importance of volunteering. A way to achieve this is to implement the discussion paper’s suggestion to include volunteering as an elective subject in tertiary education. This would engage young people in volunteering, assist with their personal development, help the country both socially and economically and, importantly, establish a pattern for a lifetime commitment to volunteering.

I do hope that this report is acted on and is not one of those that just finds its way to the library shelves and that we in this place continue to promote the value of volunteering both in this House and within our communities. I would like to join the chair of the committee, the member for Canberra, and thank her for her contribution in ensuring that this forum was a success. I would also like to thank the many individuals and organisations who actually took time out of their busy schedules to appear before the committee and contribute to this report.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The time allotted for statements on this report has expired. Does the
member for Canberra wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Ms ANNETTE ELLIS (Canberra) (8.50 pm)—I move:

That the House take note of the report.

The DEPUTY SPEAKER—In accordance with standing order 39, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Family, Community, Housing and Youth Committee

Report: Referral to Main Committee

Ms ANNETTE ELLIS (Canberra) (8.50 pm)—I move:

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

Question agreed to.

Intelligence and Security Committee

Report

Mr BEVIS (Brisbane) (8.50 pm)—On behalf of the Parliamentary Joint Committee on Intelligence and Security, I present the Committee’s report entitled Review of the relisting of Al-Qa’ida (AQ), Jemaah Islamiyah (JI) and Al-Qa’ida in the lands of Islamic Maghreb (AQIM) as terrorist organisations under the Criminal Code Act 1995.

Ordered that the report be made a parliamentary paper.

Mr BEVIS—Al-Qaeda and Jemaah Islamiyah were originally listed on 21 and 27 October 2002 and relisted on 31 August 2004 with effect on 1 September 2004. The committee first considered the listing of al-Qaeda and Jemaah Islamiyah in 2004 with the committee’s role in the Criminal Code procedure having been established. Both organisations were relisted on 4 September 2006, and the committee subsequently reviewed the relisting, reporting to parliament in October 2006.

Al-Qaeda in the Lands of the Islamic Maghreb was originally listed under the name Salafist Group for Call and Combat, the GSPC, in 2002 following their listing by the United Nations Security Council. The committee first considered the listing of the GSPC in 2004 after the committee’s role in the criminal procedures had been established. The GSPC was relisted on 5 November 2004 and again on 1 November 2006. The regulations were signed by the Governor-General on 7 August 2008. They were then tabled in the House of Representatives and the Senate on 26 August. The disallowance period of 15 sitting days for the committee’s review of the listing began from the date of the tabling. Therefore, the committee has sought to have this report before the parliament today, 13 October 2008.

Notice of the inquiry was placed on the committee’s website. No submissions were received from the public. Representatives of the Attorney-General’s Department and ASIO attended private hearings on these matters. The committee heard evidence that each of these three organisations continue to engage in, and offer support for, terrorist acts. The assessed likelihood that Al-Qaeda has shifted some of its focus from Iraq to Afghanistan makes it likely that Australian troops in Afghanistan confront armed forces linked to Al-Qaeda.

Although there have been no anti-Western attacks committed by Jemaah Islamiyah in South-East Asia since the last relisting, the committee heard that within Indonesia it is reported that JI has engaged in terrorist activities, including assassinations and bombings. Al-Qaeda in the Lands of the Islamic Maghreb’s most significant attack on Western interests was the 11 December 2007 suicide bombing attack on the UN office in Algiers, which killed 17 people. This constituted the worst attack on the United Nations since the bombing of the UN headquarters in
Iraq in 2003. In view of this and the other matters contained in the report that I have just tabled, the committee does not recommend to the parliament that the regulations made to proscribe these three organisations be disallowed.

In conclusion, I take this opportunity to thank fellow members of the committee, who have worked as they have in previous parliaments in a constructive and bipartisan manner, and the secretariat: Mr Robert Little, Ms Philippa Davies and Mrs Donna Quintus-Bosz for their support of our important work. I commend the report to the House.

Mr RUDDOCK (Berowra) (8.55 pm)—I first endorse the comments of the member for Brisbane about the way in which the Joint Committee on Intelligence and Security has worked. I commend him on his leadership of the committee. I thank Robert Little and his staff for the professional role that they undertake in relation to these matters.

I want to highlight this report on the relisting of these terrorist organisations. It is a very important report because the issues which it deals with are often matters that people overlook when there have not been terrorist incidents that immediately impact upon them and their lives. This report does put into the public arena material that is often absent. It is well researched and it is material that I think is useful for the public to be aware of.

The Joint Committee on Intelligence and Security has a very special role. It reviews regulations specifying organisations as terrorist organisations. In this case we are dealing with al-Qaeda, Jemaah Islamiyah and al-Qaeda in the Lands of the Islamic Maghreb. This review of the relisting of these organisations affirms that relisting should occur. As the chair has outlined, these organisations were first listed in 2002 and then in August 2004.

There was an effort to see whether there are people with views contrary. They were not seen. The committee was able to see contemporary material which reaffirms the importance of relisting, particularly al-Qaeda and Jemaah Islamiyah, as terrorist organisations. The report does outline the number of acts directly attributable to al-Qaeda through to the last in July 2005, where they assisted in the training of those involved in attacks on London’s transport system, which killed 56 people, including one Australian. You see outlined in the report material that comes directly from Osama bin Laden and his deputy, al-Zawahari. It outlines their thinking in relation to the way in which their organisation should continue to operate.

When you look at the quotes from the Middle East Quarterly, it says that since January 2005 some 40 different organisations in countries that include Afghanistan, Egypt, Iraq, Lebanon, Morocco, Pakistan, Saudi Arabia, Syria and Yemen have announced their formation and pledged allegiance to bin Laden and al-Qaeda and their strategic objectives. The report includes evidence from ASIO that al-Qaeda’s popularity is not diminishing. While there is no information specifically linking it to Australia, the report outlines the threat to Australian interests.

The material in relation to JI is even more compelling. That is because this organisation has had an impact in the region of the world in which we reside. The report notes that there are links to Australia. The statement states that disruption by regional authorities has resulted in JI having to scale down its previous organisational structure from four mantiqi territory areas of responsibility, which originally encompassed parts of Australia, to only one mantiqi covering Indonesia. It goes on to say:

As stated in the previous report, the threat to Australians travelling in Indonesia is still present.
Australia continues to issue travel warnings to Australians travelling in Indonesia.

The statement of reasons makes no specific mention of other threats to Australia’s interests. This report ensures that the Australian public are aware that terrorism remains a risk to this community.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The time allocated for this report has expired.

Intelligence and Security Committee Report

Mr BEVIS (Brisbane) (9.00 pm)—On behalf of the Parliamentary Joint Committee on Intelligence and Security, I present the annual report of the committee’s activities for the 2007-08 year.

Ordered that the report be made a parliamentary paper.

Mr BEVIS—Due to the election during the period for which this report was prepared, the work of the committee in both the 41st and the 42nd parliaments is covered in the report. I would like at the outset to take this opportunity to thank the members of the committee in the 41st parliament. In particular, I would like to place on the record our thanks for the work of the chairperson of the committee in the 41st parliament, the Hon David Jull. I am sure I can say on behalf of everybody on both sides in this House who worked with David and knew him that we wish him good health and a pleasant retirement. We hope he is enjoying the sunshine and some time away from the hurly-burly of this parliament.

The committee completed a very full and productive year scrutinising terrorism legislation and the administration and expenditure of the various intelligence agencies. Since the last annual report on the committee’s activities, which was tabled in June 2007, the committee has tabled six reports. In addition to the tabled reports, the committee is currently conducting the sixth review of administration and expenditure of the intelligence community agencies.

The fifth review of the administration and expenditure was the first full review which looked broadly at the administration and expenditure of the six intelligence and security agencies since the Intelligence Services Act was amended in December 2005 to add to the committee’s oversight responsibilities the Defence Imagery and Geospatial Organisation, otherwise known as DIGO; the Office of National Assessments, the ONA; and the Defence Intelligence Organisation, the DIO.

Overall, the committee was satisfied the administration of the six intelligence and security agencies was sound. The committee found that, whilst the security clearance process had been streamlined and some backlog had been cleared, completing clearances within a reasonable time frame was still an issue for most agencies. The recruitment of the required numbers of staff with necessary language skills also continues to remain an issue for most agencies. Overall, the committee indicated that agencies were doing all they could to overcome that particular problem.

The other major review of 2007 was the statutory review of the proscription of ‘terrorist organisations’ under subsection 102(1A)(2) of the Criminal Code. The committee noted the need for an adequate community communication or education program to accompany a listing or a relisting. This is an area of continuing interest to the committee.

I should also note that during the course of this annual review, on 5 May 2008, the committee accepted the resignation of Senator Robert Ray, a longstanding member of the committee. The committee recorded its appreciation by highlighting Senator Ray’s
very substantial contribution to the work of the committee, noting that it had left the committee with an excellent reputation both in this parliament and in the Australian intelligence community.

Finally, the committee of the 42nd parliament is concerned that there is an insufficient pool of staff with the necessary top security clearances within the Department of the House of Representatives to provide flexibility in staffing. This committee, unlike any other in the parliament, does require support staff to have a quite intrusive, positive vet, top-security clearance. That is not normal for people who work in this building, but it does mean that the committee’s work requires a pool of staff within the House department who are able to meet that standard. The committee accordingly has made a recommendation about the need for additional staff to have the appropriate security clearances.

On behalf of the committee I again thank fellow members of the committee in the 42nd parliament and again place on record my thanks to those who served on the committee in the 41st parliament. I also thank the committee secretariat for the work they have done both in the 42nd parliament and in the 41st parliament. I commend the report to the House.

Mr Ruddock (Berowra) (9.05 pm)—Can I first thank the Chair of the Parliamentary Joint Committee on Intelligence and Security for the observations he made about colleagues and the secretariat. I can also add to his comments about the former chair, David Jull. I did not serve on the committee with David, but I have served with him as a minister and I know him very favourably as a colleague and friend. The circumstances in which he saw fit to retire are obviously of concern to us all and, like my colleague, I continue to wish him good health.

I was not there as a member of the committee when Robert Ray served, but I have shadowed him as a minister in a previous life. I have to say he was always a very formidable minister and parliamentarian; one whom I can now say—as he has left—I greatly admired and, I would have to say, with no offence to others who may have served as immigration minister, one of the most significant contributors in that area of public policy. But I understand that in relation to the work of this committee he also fulfilled a very important role in sage counsel and advice, and ensuring that a committee that undertakes work that is very much in the national interest was able to do it in a positive and constructive way. I very much regret that I am not able to continue to serve with him on this committee. May I also say I lament that one of my colleagues on this side of the House who has contributed very positively in public life, the former foreign minister Alexander Downer, is no longer with us. But he is a rather mercurial character who will be playing a fairly significant part in other parts of the world in endeavouring to resolve issues.

In relation to the annual report of the committee’s activities, half of which I have seen, I wish to simply comment on the nature of the committee’s work. It is a committee that has a fairly limited role. Legislation specifically charges that it will review the administration and the expenditure of all six intelligence agencies—ASIO, ASIS, DSD, DIGO, DIO and ONA—and other matters that are referred by the responsible minister or by resolution of each house of parliament. It is in that context that I think people need to understand the sensitivity of the work that is being undertaken. It does mean that people who bring a good deal of experience are charged with the responsibility of looking at these issues but are limited in what they are
able to do and of course what they are able to say.

Part of the work of the committee has involved reviewing amendments made to security legislation, particularly terrorism enactments, and that included border security legislation amendments, Criminal Code suppression of terrorist bombings legislation and the suppression of terrorist financing legislation. It also meant that it could review division 3 of part 3 of the Australian Security Intelligence Organisation Act and other amendments made to the Criminal Code.

But there are specific limits on the committee’s activities and it is appropriate that members are aware of that. That includes: the reviewing of intelligence gathering powers of the agencies; reviewing the sources of information and other operational assistance and methods; reviewing particular operations past, present or proposed; reviewing sources of information provided by a foreign government or agency; reviewing an aspect of activities of agencies that does not affect an Australian person; reviewing rules with the act relating to the privacy of Australian citizens and conducting inquiries into individual complaints. It is important that colleagues are aware of these limitations. Nevertheless, as we saw with the report just tabled, the work that is being undertaken can give the Australian community greater confidence in the efforts of our agencies and in that sense the committee plays a very important part in reassuring the Australian community.

**PRIVATE MEMBERS’ BUSINESS**

**Drought**

Mrs HULL (Riverina) (9.10 pm)—I move:

That the House:

1. recognise the seriousness of the drought situation across rural Australia; and
2. calls on the Government to:

(a) recognise the need for long term commitment for Exceptional Circumstances (EC) declared areas, and to provide continued support to allow those areas to fully recover from the drought;

(b) look at the history of EC declared areas and the direct correlation between longevity of declaration and hardship inflicted;

(c) commit to the extension of support programs to allow those areas to fully recover regardless of meeting current EC requirements; and

(d) extend EC assistance to all rural based businesses who meet the criteria.

I have put this motion together in a very precise and concise way. It is no secret that we have had a significant ongoing drought right across many areas of Australia, none more so than in my electorate of Riverina. My concern and the reason for putting this private members’ business to the House is to alert the minister that there is a need for some dramatic and drastic urgent changes to be made to our current EC policy. Whilst I recognise that there is a transitional phase—transitional income support—when people are coming out of drought, I do not believe that it adequately covers the requirements that the many farmers and businesses will require to move themselves forward as a result of this ongoing drought.

The process is that you have regional stress, you lobby the state government and you then put in an application for EC. Then of course comes the issue of having to collect the meteorological data. The proponent collates and analyses the meteorological data with respect to EC meteorological criteria. That is the problem. There is and will be many areas that may have experienced recent rains that may not in fact meet these EC meteorological criteria, but it is a fact that many businesses and farmers will not be able to continue if they are not able to access a con-
tinuation of income support and interest rate subsidy. I look at all those small businesses in rural communities and I look at the 9 October press release from the minister, the Hon. Tony Burke, that says:

Many farm businesses have significantly increased the debt they are carrying, as the drought has dragged on.

The drought saw average farm debt in Australia grow from $238,000 per farm in 2001-02 to around $702,000 per farm in 2006-07.

The minister goes on to say:

Interest rate relief on farm debt will provide a significant boost after many years of financial pressure.

I just tell the minister this: there is no interest rate relief for our farmers; there is no interest rate relief for our small businesses. In fact the interest rate relief that was announced last week only applied to homeowners. It has not applied to these farming families. There has been no relief for these farming families. So it is very timely that I place this motion on the record in order to raise the plight of those people who are desperately trying to ensure their future progress, but they require the support of the government to do so.

When you have a full EC assessment NRAC conducts a comprehensive assessment of all the meteorological rarity, the impact on production and the downturn in income. Under EC criteria in the past there have been fewer than two crop losses in a row in most cases. Here we have extenuating circumstances where we are seeing three crop losses, four crop losses and five crop losses in a row. These are circumstances that were never envisaged under the old EC program, under the old EC criteria.

I urge the minister to urgently look at the recovery phase for businesses, community members and farming families in rural and regional Australia that have been affected by drought and who may be coming out of EC declaration, to ensure that they will have ongoing support so that they can meet the demands of the future for food production in Australia but also to ensure that they have their entitlement to enable them to live and work in rural and regional areas. This is an urgent cry for assistance to ensure ongoing drought relief past that available under normal circumstances of an EC declaration and to make changes to effect that.

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

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

Mr TREVOR (Flynn) (9.15 pm)—Let me begin by saying that the Rudd Labor government recognises the seriousness of the drought situation across rural Australia. The Rudd Labor government has a very able and well-liked Minister for Agriculture, Fisheries and Forestry. His first priority was to visit and meet with the people of rural Australia to see firsthand and to hear directly about people’s experiences, their views and ideas. I am told he has seen and heard of, just as I have as the federal member for Flynn, a drought unprecedented in duration and whose effects are profound and lasting. He has seen, as I have as the federal member for Flynn, cattle struggling, pastures depleted and shallow and dry dams and river beds. He has, as I have, met distressed farmers trying to make important business decisions under stress and still considering the range of needs of their families. He has witnessed, as I have, resilience and great hope.

The Rudd government recognises that drought and climate change are the greatest challenges facing rural Australia. The Rudd government is determined to assist our farmers to build even more competitive, productive and sustainable agricultural industries. The government is looking at how we can help farmers and their families do this. That
is why, on 23 April, the minister, Tony Burke, announced a comprehensive review of drought policy to determine the best policy for managing drought in the context of a changing climate. Our approach in this review is to comprehensively examine all the aspects of drought, including the climate scenarios we will most likely face, the social impacts—which are all too often forgotten—and the economic issues involved. A final report is expected to be delivered to the government in February. We thank everyone who took the time to provide submissions or to meet with the expert social panel headed by chairman Peter Kenny, a great ambassador and advocate for the bush.

A concern many farmers have raised with both the minister and me in my electorate of Flynn is the issue of lines on a map. This is one of the critical elements of drought policy which the government believes needs careful consideration. The current system allows neighbouring farms with identical needs to see one farm receiving assistance while the other receives nothing. We believe that we can do better, and we are examining this model in detail. The minister is to be commended for his dedicated work in this area.

It is important to reiterate tonight that the drought policy review will not affect anyone receiving assistance in a current exceptional circumstances declared area. This review is about preparing for the next drought. The government will not be walking away from farmers in difficulty. The Australian government will continue to support those farmers and businesses in need in current EC declared areas.

The government has also recently announced the extension of EC declarations for 33 areas that were due to expire on 30 September 2008. When the Rudd Labor government was elected, one of its first priorities was to visit and meet with people of rural Australia to see firsthand and to hear directly about people’s experiences, their views and ideas. Drought policy was initially based on a model of a one in 20- to 25-year event and EC assistance was supposed to be short term. Due to the length of the current drought, some areas have been exceptional circumstances declared for many years. For example, some areas in Queensland have been declared EC for eight years, and well over half of New South Wales has been EC declared for at least five years. When some areas of Australia have been in EC for eight years something just does not seem right. There needs to be a policy change. In recognition of this, the Rudd Labor government has commenced a national review of drought policy to determine the best policy for managing drought in the context of a changing climate. Current policy is not suitable in a changing climate.

We need to prepare for drought in the way we farm and the way we manage our farm businesses. That is why, on 23 April this year, the government announced a comprehensive review of drought policy to determine the best policy for managing drought in the context of a changing climate. The government does not want to pre-empt the findings of the drought review but it will present the government with options to improve drought policy so that it helps farmers adapt and respond to the effects of a changing climate. I applaud the fine work Minister Tony Burke is doing in this portfolio.

Mr CHESTER (Gippsland) (9.20 pm)—I rise to speak in support of the motion and, in doing so, seek to highlight the extremely difficult conditions facing many Australian farming families and their communities. I deliberately refer to ‘farming families and their communities’ because, when a drought hits regional Australia, it hits us all, from those on the front line in our nation’s diverse farming enterprises to the small businesses...
which supply them, to the teachers, doctors and health professionals who often deal with the social consequences and to the families themselves. Quite apart from the obvious economic impacts which other members have spoken about tonight, droughts are insidious as they sap the energy and enthusiasm of our farming families and communities and corrode the hopes of the next generation.

This motion calls on the government to recognise the need for a long-term commitment to exceptional circumstances funding declared areas and to provide continued support to allow those areas to fully recover from the drought. It is timely that I speak today on behalf of the people of Gippsland who have recently seen the inadequacy of the current EC system, as I have mentioned once or twice before in this House. While I am pleased to report that there has been a breakthrough in Gippsland and the EC funding has been extended until next April, I stand here today firstly to apologise to the Gippsland farming families for the unnecessary and additional stress and hardship that they have been exposed to in recent weeks. I am sorry that the system failed them when the National Rural Advisory Council and both the state and federal ministers agreed that EC funding should be discontinued in Gippsland from 30 September this year. It was a mistake, and I am pleased to say that it has been addressed.

The original decision was made after a desktop analysis by NRAC. There was no visit to Gippsland, no attempt to assess the circumstances on the ground and no effort to listen to the concerns of locals. It took considerable time and effort—and that is time away from the farming enterprise—and it caused a great deal of stress for our farming families to get NRAC to actually visit Gippsland and recognise the need for an extension to the EC funding, which has since been implemented by the minister. I thank him for that. There needs to be a long-term commitment for EC declared areas to support communities like Gippsland as they recover from this drought. Perhaps just as importantly, NRAC representatives must visit or receive an on-the-ground assessment of conditions before any decision is made to remove any EC funding from a region based on lines on a map.

As we all know, when it does eventually rain it will not be raining money, and there will be a lag time in this recovery process. I urge the federal government to continue working in partnership with state and local government to support communities throughout Australia as they emerge from the drought. There is a direct correlation between the number of years in a drought and the community’s capacity to recover by itself. We have seen in the past that during a drought period regional areas lose skilled workers and many young people move on, literally seeking greener pastures. Governments must invest in the capacity of these regions to help them get back on their feet when the rains do come.

The Victorian state government, for its part, has been dragging its heels on this issue, but today, thankfully, a support package in the order of $115 million, I understand, has been announced. It stops short of the $20,000 cash grants which the Victorian state government has provided in the past, but I understand that the package does include a municipal rates subsidy, which has been strongly supported by the Liberals and Nationals in Victoria. I believe the states must continue to do their part in addition to the federal government’s EC assistance packages because it helps to send a message to the farming families that we certainly value their contribution, and they are important contributors to the future of our rural and regional communities.
Money is going to be needed for basic survival, let alone on-farm works such as fencing and maintenance work along with productivity related things such as improving pastures. All of these things fall behind when conditions are tough and money is tight. I believe our challenge with EC funding is to support these farming families to basically get them over the hump, knowing full well that they will prosper again on the other side when the rains come. This is not welfare or charity; it is an investment in the future of our nation’s productive farming enterprises.

On that point, I strongly urge our farming families in EC affected areas to seek information on whether they are entitled to any assistance. Do not do the self-assessment and do not take the view that this is some form of welfare if you access the income support or the interest rate subsidies which are available through exceptional circumstances funding.

After meeting with several groups of farmers in my electorate, I fear that many of them are too proud to put their hands up and ask for assistance which is available to them. It disappoints me that the state and federal governments on both sides of politics in the past have spent a small fortune on advertising and propaganda but have failed to inform enough of our farming families about the benefits which they may be able to access. In closing, I commend the member for Riverina for moving this motion and urge all members to recognise the seriousness of the drought situation across rural Australia. (Time expired)

Mr SULLIVAN (Longman) (9.25 pm)—Firstly, I associate myself with the comments that were made earlier by the member for Flynn—in particular, his comments about the capacities of the current Minister for Agriculture, Fisheries and Forestry, Mr Burke. It is widely acknowledged that this current drought is significantly worse than when exceptional circumstances, or EC, assistance was originally conceived and initiated during the Hawke-Keating Labor government years as a means of providing federal government assistance to rural or primary producers. With respect to the mover and the seconder of this motion, it is impossible not to recognise the seriousness of the drought situation across rural Australia. This drought is different. It is more protracted and severe than previous droughts. Most farms are now affected in some way, and many are severely affected. The impacts on farm families and communities of such an unprecedented drought are profound and lasting. Drought and climate change are now the greatest challenges facing rural Australia. Chillingly, a commentator recently indicated that he believed that this was not a drought but our new weather. If that is the case, it is a very sobering thought indeed for all of us in this country.

When this government was elected in 2007 the Prime Minister, Kevin Rudd, made it clear that we will not be walking away from our farmers in their time of need. The Rudd Labor government has publicly committed to maintaining the existing rules and guidelines for EC for those farm families and small businesses currently in receipt of assistance. The Rudd government will continue to support those farmers and businesses in need in current EC declared areas. As the member for Flynn indicated, 33 areas whose EC status was due to expire on 30 September recently had it extended. That brings to 69 the number of areas across Australia that remain EC declared, and that is about 48 per cent of Australia’s agricultural land.

This government has not been sitting on its hands in giving assistance to rural producers. The first Swan budget set aside $760.9 million for the provision of EC income support, interest rate subsidies and interim income support for the 2008-09 financial year. The $750,000 off-farm assets cap
has been extended by this government until 30 June 2009. That commitment will continue to assist more eligible farmers and small businesses to access EC assistance under these programs as they adjust to a changing climate. Beginning on 16 June this year, a transitional income support program will help producers who are no longer in an EC declared area but continue to experience severe financial difficulties. The transitional income support program is available to all farmers who are still finding it difficult to put food on the table, not just those coming out of EC declarations. $2.8 billion has been expended on EC programs since July 2001, and 21,300 farming families have been assisted. $71½ million of support has been extended to small businesses in EC declared areas, 1,100 operators have accessed income support and 1,800 interest rate subsidies have been approved. The government has stated publicly that while farmers and small businesses are in an EC declared area and meet the criteria for EC assistance they will be able to access that vital support. This will not be affected by the outcome of the comprehensive review of drought policy currently underway and mentioned earlier by my colleague the member for Flynn.

As my colleague said, some areas of Queensland have been EC declared for eight years and half of New South Wales has been EC declared for over five. This kind of makes a mockery of the urgency of this motion here before us tonight. The situation in rural Australia has been getting worse not since 24 November 2007 but over a number of years. I agree, as does the government, that there need to be some changes to policy, and we have been doing that. We have setting that up since April, as the member said.

Debate interrupted.
Parker, an MLC of the New South Wales parliament. In her email she said, in part:

Congratulations on taking up the challenge to shave your head for cancer research.

Earlier this year my son Dylan (he’s 21) raised over $1,000 from his poor University mates and had his chest waxed as part of the same challenge. He’s pretty hairy so it was quite spectacular (and painful). While he was on stage he raised a further $200.00 to have his armpits waxed.

Sadly, today Dylan and David had their heads shaved again but this time because on Wednesday Dylan is having an operation to remove a brain tumour.

We are hoping and praying that the operation is a success and the tumour is benign. Life is so precious and cancer is such a terrible disease, for which we must find a cure.

We, the Parker family, all thank-you for your efforts.

I was advised by Robyn last week that the operation on Dylan had removed most of the tumour and that it was benign. We now have to play the waiting game and use every tool available, including prayer, for his recovery.

The stories from all of us in this place are endless, but each in our own way must do what we can to help. We can run, we can hide, but there is no escaping the trauma that occurs to the individual and the family when cancer raises its ugly head. When I think of the battlers and the pensioners who do it tough on a day-to-day basis, I know the battle only gets worse when they are hit with the bad news, the additional costs and the long drawn-out road for treatment. At a sprightly young 78, a friend from Raymond Terrace, Les Dalley, keeps pushing me—no, ordering me—to do what I can for prostate cancer as he describes to me the treatments he and his mates have to endure.

Let me say that we are blessed to have wonderful support groups who help those afflicted in our community, bringing an even further dimension of compassion and support to those who, in some cases, lose everything. Besides the desperate need to raise funds for research for cancer cures there is also a need to provide financial assistance so that those who provide the personal care and support can continue in their fine work. That is why the nearly $11,000 raised will be given to the two support groups. Nola Lawler, who runs the Tomaree Breast Cancer Support Group, turned out with her pink team on the day to sell everything pink. However, I am not so sure that the pink lipstick ribbons that were painted onto Craig Baumann’s and my face as we sat in the chair being shaved looked the part. But it was all in good humour.

Whilst we can all enjoy the banter that occurs when a person like me does something unusual like shaving my head, I can assure all and sundry that the price that my personal dignity will pay for a few days is nothing like that that those who have cancer pay. My thanks go out to 2HD’s Luke Grant, to 2SM’s Graeme Gilbert, to Robert Foot from RF Hair Design, to Gary Hosen and the team who helped to organise the day, and to all of those who contributed the much needed dollars. I commend them all as fine, outstanding Australians.

**Anti-Poverty Week**

*Mr CLARE (Blaxland) (9.34 pm)*—This week is Anti-Poverty Week. Poverty cuts short the lives of more than 20,000 people around the world every single day. These deaths happen everywhere, all the time. They are not sparked by a single event. The causes are complex, but the solutions are not beyond our reach. I have seen close up extreme and abject poverty: the shanty towns of Cerro San Cristobal in Lima and the slums of Kibera in Nairobi, places without running water or proper sanitation. I have also been to the Democratic Republic of the Congo, one of poorest countries in the world. But the image that is seared into my memory is the
1994 Pulitzer Prize winning photo by Kevin Carter of a vulture just waiting for a child to die.

Philosopher Eli Khamarov said, ‘Poverty is like punishment for a crime you didn’t commit.’ It is a punishment that is particularly unfair for children who grow up in poverty. In 2006, 9.7 million children under five died around the world. Each year, 400,000 children in our own region die from preventable and treatable causes. One in 12 children in Cambodia will die before their fifth birthday. Aid can help turn this around. That is why I am proud to be part of a government that has pledged to boost overseas aid from 0.3 per cent of GDP to 0.5 per cent by 2015 and a government that supports the Millennium Development Goals—in particular, the fourth goal: to reduce child mortality rates by two-thirds by 2015.

These goals resonate strongly in my electorate in south-west Sydney. Many of the people I have the privilege to represent escaped the killing fields of Cambodia, civil war in Lebanon or the death toll in Darfur. It is an electorate which has been touched by the horrors of war and one that understands the effects of poverty because, for many, they have lived it. They have come to Australia for a better life for themselves and a better life for their children. When I was a little boy I shared a classroom with many of them. Today, many of their children go to Cabramatta High School.

This afternoon I met with a group of students from Cabramatta High who are involved in the ‘Voices for Justice’ campaign as part of the Micah Challenge. They are part of a school that encourages them to have a social conscience and which is led by Beth Godwin, a woman of vision with a heart of gold. For the last three years Cabramatta High School has held a Peace Day in conjunction with the Sydney Peace Prize. It is a major event in the school’s calendar. The winner of the Sydney Peace Prize is the guest speaker. This year it is Patrick Dodson, Chairman of the Lingiari Foundation. I am pleased to be the sponsor of the Cabramatta High School Peace Prize and I look forward to handing out the award in three weeks time on 7 November.

The students are also members of the Leo Club, the junior Lions Club. Last year, they helped raise money for water projects in Cambodia. They raised over $14,000 to build 31 wells to provide fresh drinking water. Many of these students are the children of refugees—lives rescued from war and poverty. Now they are the torchbearers for peace and a war against poverty.

The man who has brought them to Canberra is my old science teacher Greg Trainor. Greg has instilled in these students the same thing he helped instil in me: the importance of speaking up and acting out. When I asked the students why they were here, they said that it was because they believed that one person can make a difference and because they want to give a voice to the voiceless and to give hope to the helpless.

It reminds me of what Robert Kennedy told a group of young South African students in June 1966:

Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope ... and crossing each other from a million different centers of energy and daring those ripples build a current that can sweep down the mightiest walls of oppression and resistance.

The eight students of Cabramatta High School that I met today, Vicky, Christine, Monica, Hong, Danny, Peter, Adam and Aaron, all send forth a tiny ripple of hope. We can help to make poverty history. These eight students from Cabramatta High School are just the start.
Mr CIOBO (Moncrieff) (9.39 pm)—I rise this evening to talk about a matter of great importance to my constituents on the Gold Coast and to Gold Coasters more generally, and that is the Gold Coast rapid transit project. The Gold Coast is Australia's fastest growing and sixth largest city. It has a resident population of some 500,000 and over our peak holiday periods—such as, for example, the forthcoming holiday period—we expect the population to reach close to the million mark. It is a city that is regularly groaning when it comes to not having adequate capacity and a city that struggles by virtue of the fact that it has grown so rapidly in such a short period of time.

Unlike, for example, the home of our nation's capital, Canberra, which is a thoroughly planned city, there are so many aspects of the Gold Coast which were, quite simply, unplanned. So it is that because the city's population has burgeoned over some period of time we have now reached a point where we need a rapid transit system. The Gold Coast first had this proposed for it in 1997 as part of the then Queensland government's Integrated Regional Transport Plan for South-East Queensland. In the time since then there has been a variety of various feasibility studies and assessment reports and an array of community consultation that have all supported the construction of a rapid transit system for the Gold Coast.

The previous coalition government, of which I was a member, was very supportive of this project, committing $650,000, dollar for dollar with the Queensland government for a total of $1.3 million, toward a feasibility study so that we could look at whether it was feasible for the Gold Coast to support a rapid transit system. I am pleased that the result has been an affirmative. As a consequence of this feasibility study, the broad proposal is for a rapid transit system, especially a light rail system that will in the end flow from Coolangatta to Griffith University at Southport, with proposed extensions to Helensvale via Parkwood or Harbour Town.

By 2016 it is estimated that the rapid transit project will take some 40,000 cars per day off Gold Coast roads. It is also anticipated that some 57 million commuters will travel on the Gold Coast public transport network regularly. The transit system is expected to inject some $1.3 billion into the local economy and directly employ 320 people over its period of construction and operation.

At this point in time, the Bligh Labor government in Queensland has committed $1.67 billion to this project. The Gold Coast City Council has committed $120 million to support priority routes, with the capacity to invest an additional $30 million. But the fundamental and important question is: how much will the Rudd Labor government commit? The coalition were committed to this project, as was evidenced by the fact that we were able to fund part of the feasibility study. The question now is whether or not the Rudd Labor government's rhetoric will be matched by them putting their money where their mouth is.

In Australia's sixth largest and fastest growing city, this Rudd Labor government leaves a lot to be desired. We know that we have already missed out on having a GP superclinic although it was promised. The question now is: will the Rudd government's Infrastructure Australia, and indeed the Rudd government, get behind this project for our city? The city is growing so rapidly that we desperately need a rapid transit system.

We have seen on many occasions Labor governments shirk their responsibilities when it comes to providing the very much needed infrastructure for a city like the Gold Coast. Despite the fact that it is Queensland's
second largest city, there have been a number of key decisions taken where Labor has walked away from providing the infrastructure needed. I can speak firsthand, having announced, together with my colleagues, some $455 million of coalition funding for the widening of the M1 road between Tugun and Nerang. In the last election campaign the now Rudd Labor government promised to match this funding. Unfortunately, the bulk of this funding has now been reallocated by the state Labor government towards the M1 stretch at Logan and is not being used on the Gold Coast, which means that again the Gold Coast misses out.

There are some very serious problems with the proposed route of the light rail project as far as Paradise Waters goes. But there is broad consensus that this is a much needed project. It is time for the Rudd government to deliver for the city of the Gold Coast and to make sure that Infrastructure Australia gets behind this project. The Rudd government should ensure that, moving beyond the rhetoric, it provides the much needed dollars and builds on the framework that the coalition put in place and the commitment that the coalition government had to Australia’s sixth largest city. It needs to make sure that this rapid transit system is built and built rapidly.

Wakefield Electorate

Mr CHAMPION (Wakefield) (9.44 pm)—On the Sunday before last I had the great pleasure of going to the SANFL grand final and watching the Central Districts Football Club, the Bulldogs, play Glenelg. Centrals have played in the last nine grand finals and we stormed home to take our seventh flag. The scores, for the House’s information, were Centrals 17.11.113 points to Glenelg 10.11.71 points. It was a smashing win.

I particularly want to mention four of the six rookie premiership players, who were from the Barossa Light and Gawler football league, which is the league that covers the majority of the country areas in my electorate. Those four players are Brayden O’Hara, who used to play for Gawler Central, Jonathan Giles, who played for Kapunda and my old footy team the Bombers, James Moss, who played for Willaston, and Matthew Westhoff, who played for Tanunda and who kicked three goals during the grand final.

Of course all of the premiership players were absolute champions including the coach, Roy Laird. It is an excellent club. It is the backbone of the community in Elizabeth and the rest of the northern suburbs. We certainly have to congratulate the players, the president, Tom Zorich, the vice president, Glen Armstrong, the board of directors, CEO Kris Grant, all the coaching and support staff and the members of the club, who make these grand finals possible. I think the win underlines the importance of sport, footy in particular, to the people of the north. It underlines one of the reasons to be proud of the northern suburbs.

There has been some negative press about the northern suburbs in the last year and I think it is a great pity because we have many reasons other than the premiership to be proud. We are home to 70 per cent of South Australia’s manufacturing industry. We are a major commercial and retail centre and we are set to grow into the future. The northern suburbs are really the engine room which is powering South Australia’s economic growth. It is a region that is poised to reap the benefits of the expansion of South Australia’s mining and defence industries. Some of the examples of those industries are the mining accommodation and services company, which has a multimillion dollar manufacturing plant at Edinburgh Parks and supplies accommodation services, small huts to live in and other housing, to the mining and
resources sectors, Olympic Dam and other mines in the north.

There is also the Steel Building System International company at Elizabeth West. It recently announced a deal worth more than $100 million to expand its business to the United Arab Emirates. It has a unique steel building system that is used for rapid-built, low-cost housing and is eyeing expansion in South Australia in response to the growth of mining in the north of the state. There is also Levett Engineering. Paul Levett started his one-man engineering business in his back shed in Elizabeth in 1989. He now has 39 contracts to supply Lockheed Martin with airframe components for the $300 billion F35 Joint Strike Fighter project, which is the world’s biggest collaborative defence project.

Most recently, and this is something I have spoken on in the Main Committee, Holden has launched its seven millionth car, which has rolled off the line. It was great to be there with the workers of that plant to see that red Commodore roll off the line. We hope there will be many more.

Mr Bruce Scott—It only came second at Bathurst.

Mr CHAMPION—Yes, second at Bathurst. You cannot win everything. But we will have from 2011 a superbase that will host the Australian Army’s 7th Battalion mechanised battalion group at Edinburgh—a 1,200 strong battalion that is bringing more than $700 million worth of new capital work into the area. That includes a new combined Army-Air Force mess as well as many other medical, fitness and community facilities. There are going to be huge spin-offs for the local retail and housing sectors. We have the Playford North urban renewal project and the NEXY road contract. (Time expired)

Mr BRUCE SCOTT (Maranoa) (9.49 pm)—I rise today to call on the Premier of South Australia, Mike Rann, to apologise to the Berghofer family in my electorate of Maranoa. I should provide the House with a brief explanation as to why I am calling on the Premier to apologise.

In 2001, the Queensland government imposed a moratorium to prohibit the construction of any infrastructure which diverted water from floodplains and river systems. This prohibition was further strengthened in 2003, when the Queensland and New South Wales premiers signed the Paroo River intergovernmental agreement, further preventing any new developments on the Paroo River, which flows from south-western Queensland to northern New South Wales.

In August this year, a scientist from the University of New South Wales, Richard Kingsford, wrongly claimed satellite imagery showed illegal water diversion structures on a particular property located on the Paroo River near Eulo, in my electorate of Maranoa. How could a scientist—who prides themselves on the accuracy of their research—allow such a misrepresentation to continue without correction or clarification? Once Mr Kingsford’s claim was broken to the media, mini hysteria ensued, leading to the Premier of South Australia’s rather sensationalist comment that anyone illegally taking water from the Murray-Darling system was ‘engaging in an act of terrorism against the people of Australia’.

Just after Premier Rann’s comment about terrorism, which I admit may have been misconstrued by the media, I met with Jake Berghofer and other members of the community when I was visited Eulo in mid-August. Jake had been targeted by the media and was understandably quite distressed. He
maintained that he had done nothing wrong and had simply been repairing his structures. Jake claimed he was working well within his rights and he was. I believed him because I have confidence in the integrity of farmers in Maranoa. Indeed, I have confidence in farmers across Australia because they are often our most responsible managers of the environment. Australian farmers will continually adapt to changes in climate, they will always be looking for more efficient practices and they are always looking to reduce their environmental impact.

Jake Berghofer is one such farmer. In fact, his farming practices are so efficient that when a team from the Queensland Department of Natural Resources and Water went out to inspect his property a week or so ago, not only did they clear him of any wrongdoing but they actually commended him on the efficiency of his farming practices. I have the proof right here in an excerpt from the media release by the Queensland Minister for Natural Resources and Water on Thursday of last week. It said:

Indeed, investigators found that the property owner had taken steps and made investments to make more efficient use of his available water.

This is a very important statement. The minister then says:

This is something I would encourage every irrigator across the Nation to do.

That is an overwhelming endorsement of Jake Berghofer’s commitment to sound environmental management.

I would like to take this opportunity to thank a few people who managed to stay rational during this time of media hype and accusations—wrong accusations—from scientists and none other than the Premier of a state of Australia. Firstly, I thank accused farmer Jake Berghofer, who, despite being vilified by the national media, remained composed and dignified throughout what would have been a very upsetting time for him and his young family. I thank the community of Eulo, who supported Jake through this tough time and were rightly quick to proclaim his innocence. Finally, I thank the Queensland government, the Department of Natural Resources and Water and the minister, Craig Wallace, who, despite also being accused of breaching the moratorium, did not engage in finger pointing. Instead, they got on with the job of inspecting the property—doing a visual inspection with a team of government officials on the property—and making sure nothing illegal was going on.

The current crisis of the lower Murray has only been exacerbated by petty politics, exaggerated media reports, unfounded science and Armageddon-like predictions. This is a real crisis in the lower Murray and the Premier of South Australia, Premier Rann, is doing nothing to help solve it by making inflammatory claims. The people of South Australia and the Murray-Darling Basin deserve calm, rational discussion, debate and solutions, not absurd comparisons with terrorism. The Premier has a role to play. He should apologise unreservedly to this wonderful farming family, the Berghofer family on the Paroo River at Eulo. (Time expired)

Diabetes

Mr GEORGANAS (Hindmarsh) (9.54 pm)—The annual Walk to Cure Diabetes was held yesterday, Sunday, 12 October, in my electorate, as it is being held on a variety of dates this month in many, many locations around the country. Thousands of people walked the five-kilometre route along Adelaide’s Glenelg to Somerton Park foreshore, raising valuable funds for the Juvenile Diabetes Research Foundation. The foundation identifies itself as the world’s leading non-profit, non-governmental contributor of funds to diabetes research, funding an esti-
mated 35 per cent of all type 1 diabetes related research globally.

The walk was an opportunity to raise greater public awareness of the perplexing condition of juvenile diabetes. I participated in the walk last year partly as a result of discussions with a young woman who came to my electorate office to speak to me. Michelle Teslik of Glenelg East, a courageous individual, had given me a better insight into the life that so many of our young people are forced to lead through no fault of their own. Michelle told me of injecting herself with insulin up to four times a day, each and every day, and the need for her to monitor her blood sugar levels several times a day.

There are some 140,000 Australian children with this condition—that is 140,000 young people around our country needing to be almost continually confronted with getting a needle, every six hours of every day, year after year, and continually monitoring their condition for the rest of their lives. Juvenile diabetes is not caused by poor diet, lack of exercise or any of the other factors that contribute to what most of us think of as diabetes. Researchers cannot find the causal factors that lead one sibling in a particular family to have the condition while the other sibling does not. We actually do not know what brings it on. It does not have anything to do with lifestyle, being overweight or having a poor diet.

Research into the condition continues with the much needed assistance of support from events such as yesterday’s walk for a cure, which took place, as I said, in my electorate of Hindmarsh from Glenelg to Somerton Park. The South Australian pollies team—our non-partisan grouping of supporters consisting of nearly 38 federal and state MPs, senators and legislative councillors, staff and their families and friends—is continuing to raise funds until the event’s official close in weeks ahead. Among the team members, I am very pleased to say, was Minister Kate Ellis, who opened the walk; Senator Dana Wortley; Senator Anne McEwen; Senator Don Farrell; the member for Boothby, Dr Andrew Southcott; and quite a few politicians from the South Australian parliament. Congratulations to all team members and all other participants in this year’s walk, who are making a contribution towards raising necessary funds for ongoing research into this condition.

I mentioned earlier that I spoke with Michelle, a young woman, about her experience of type 1 diabetes. Last year I also met with a much younger woman, a student from Henley Beach, Kate Cox. Kate lobbied me for federal support for the creation of a program to assist young people such as herself access a better means of managing their type 1 diabetes—that is, an insulin pump. The insulin pump is a device that mimics a healthy pancreas in maintaining appropriate levels of insulin in the body, making the constant piercing of the skin with insulin injections a thing of the past. Earlier this year I met with another very young woman, around 13 years old, Amelia Lester. Amelia had written a heartfelt letter to me requesting my help in the management of her diabetes. She was kind enough to come and meet me at the Hindmarsh electorate office with her mother, Wendy Harmer. Their request was for Commonwealth support for access to insulin pumps for children with diabetes to help manage the condition.

These meetings have been heartbreaking—children barely out of primary school seeking support from the government for their survival of a life-threatening condition that was thrust upon them as a matter of fate. Of course, as you and everyone with a child or niece or nephew would be, I was so incredibly pleased that the Rudd Labor government will be supporting children like
Amelia and the others to get the insulin pumps that they deserve so much. The government has already announced that $5.5 million is being made available over four years to assist families with a child with type 1 diabetes to access an insulin pump. This assistance commences on the first of next month and will help as many as 700 children and their families to better cope with and manage this condition.

Question agreed to.

House adjourned at 10 pm

NOTICES

The following notice was given:

Mr Danby to move:

That the House:

1. congratulates Mr Morgan Tsvangirai, leader of the Movement for Democratic Change (MDC), on his appointment as Prime Minister of Zimbabwe, which is a just recognition of his long struggle for democracy and reform in Zimbabwe;

2. acknowledges the courage of the people of Zimbabwe in defying the thuggery and intimidation of the Mugabe regime in voting for a change of regime at the Zimbabwe elections of March 2008;

3. condemns the Mugabe regime for instituting a reign of violence and intimidation which forced Mr Tsvangirai to withdraw from the second round of the presidential election, despite his clear lead in the first round;

4. calls on the international community, and particularly Zimbabwe’s African neighbours and its fellow members of the Commonwealth, to maintain pressure on the Mugabe regime to ensure that it carries out the terms of the power sharing agreement between the regime and the MDC; and

5. calls on the Australian Government to render every assistance to Mr Tsvangirai in carrying out the reforms urgently needed to restore democratic elections, good government and economic prosperity to the long suffering people of Zimbabwe.
Melbourne Cup Day

Mr RANDALL (Canning) (6.40 pm)—With Melbourne Cup Day fast approaching, it is timely that the issue of having a truly national public holiday has again come to the forefront. In February 2006 I prepared a private members motion recognising that the Melbourne Cup has become a national event observed by the majority of Australians and, as such, it would be highly appropriate that it be observed as a national public holiday, replacing the Queen’s Birthday public holiday. While the motion was not debated on the floor of the parliament, it remains an issue of considerable importance to me. So I was pleased to read that Tom Percy QC in Perth in his Sunday Times magazine column yesterday expressed a similar sentiment. As Mr Percy points out, why not make the day of ‘the race that stops the nation’ a day where work officially stops across the nation?

In Western Australia the public holiday for the Queen’s birthday has no correlation with Her Majesty’s birthday. It is months later. It is tied to nothing more than the footy and nice weather. Thousands of Perth people gather at Ascot for Melbourne Cup Day celebrations. With a strong racing industry in Western Australia, particularly in my electorate of Canning, it is without doubt that Melbourne Cup Day is as important to Western Australians as it is to those on the east coast.

As public sentiment moves away from traditional ties to the monarchy, the leaders of both major parties have lent their weight to the republican debate, with Malcolm Turnbull, a staunch republican, and Kevin Rudd putting it on the government’s agenda. Perhaps now is an opportune time to reassess the importance of the Queen’s Birthday public holiday in favour of days like Melbourne Cup Day. (Time expired)

Petition: Postal Services at Jewellstown Plaza

Ms HALL (Shortland) (6.41 pm)—I have raised in this chamber on a number of occasions the need for a post office at Jewells. I have already tabled nearly 2,000 signatures and I have here nearly 1,000 more signatures which I wish to table. I want to express my great support for a post office to be established in Jewellstown Plaza shopping centre. I am pleased to present this petition.

The DEPUTY SPEAKER (Ms AE Burke)—The document will be forwarded to the Standing Committee on Petitions for its consideration. It will be accepted subject to confirmation by the committee that it conforms to the standing orders.

Swan Electorate: Belmont Little Athletics Centre

Mr IRONS (Swan) (6.42 pm)—On Saturday morning I had the pleasure of attending the Belmont Little Athletics Centre opening day at the Gerry Archer Athletics Track in Cloverdale, within my electorate of Swan. In its 39th season, the Belmont program is worth applauding because of the important contribution that Little Athletics has made to local communities in Swan and across Australia. On Saturday morning I was able to present the new centre captains for the 2008-09 season with their badges. Hannah Kentish from the Forrestfield club—
who was represented by her father, Kevin—and Peter Murphy from the Kewdale club were named as the centre captains, and popular choices they were.

The Belmont centre has five participating clubs, and they are the Carlisle-Rivervale club, the Forrestfield club, the High Wycombe club, the Kalamunda-Lesmurdie club and the Kewdale club. The chairperson, Bradley Edwards, heads up a fantastic committee and a hardworking group of volunteers. As we know, without volunteers, sporting clubs and competitions like this would not exist. The centre was happy to announce the use of their new timekeeping gates, which have been installed since last year’s season. During the off-season, the centre’s clubhouse was upgraded, and I attended the opening of the upgraded building. This upgrade was greatly appreciated by the members and has contributed to the increased membership of the club. The Belmont City Council was instrumental in this upgrade and Mayor Glenys Godfrey attended Saturday’s morning ceremony.

Unfortunately, Little Athletics receives no federal funding, as it is not recognised by the Australian Sports Commission as the representative of that sport. This should be addressed so that associations like Little Athletics can be financially assisted. (Time expired)

Mr Andrew Chin

Ms PARKE (Fremantle) (6.43 pm)—I note that Mr Andrew Chin has recently retired after 35 years of service at the Parliamentary Library. I first met Andrew during one of the first sitting weeks of the new parliament. Since then, he has assisted me with a number of research questions in an area in which we share a keen interest: foreign affairs.

As someone who came to the Parliamentary Library in 1973, Andrew has seen a number of changes in this place, including six different prime ministers and the historic move from Old Parliament House. Andrew has worked with governments in the South Pacific region in developing their parliamentary libraries. This has included visits to Western Samoa, the Cook Islands, Tonga and Niue. As a developed democracy, it is our duty to help strengthen democratic institutions in our region, and I congratulate Andrew on the role he has played in achieving this. Andrew’s responsibility for developing and building the United Nations deposit collection is another area where his work will benefit parliamentarians for many years beyond his retirement.

I would like to record my sincere thanks to Andrew for all the assistance he has provided to me and to my parliamentary colleagues and their staff, past and present. I hope his retirement is peace filled and happy. In noting the outstanding contribution that Andrew Chin has made, I also wish to acknowledge the work of all the staff at the Parliamentary Library. The work of the library staff not only assists us as individual members but unquestionably improves the quality of debate and decisions made in this place.

Cowan Electorate: Little Athletics

Mr SIMPKINS (Cowan) (6.45 pm)—On Saturday, 11 October I attended the Kingsway Little Athletics Centre for the opening of their season. I have the highest regard for the concept of Little Athletics. We in Western Australia know that Kylie Wheeler of Girrawheen, that great Olympic heptathlete, started her athletic career in Little Athletics in our local area. While there I spoke with Brendon Palmer, the president of the Landsdale Little Athletics club, and his wife, Jennifer. The other senior officials are Paul Del Prete, Imraan Alexander and Samantha Trewin. While I thank them for their committed and long-term volunteering to the
young athletes in the club, I also pay tribute to the many other volunteers who help run the training and competition days at Landsdale. From the well-presented uniforms and conduct, you can see that the Landsdale club is a well-run club and a credit to the parents, volunteers and athletes.

One of those athletes is Terrell McKenzie, or TJ, who represented Western Australia at the Australian Little Athletics Championships in April. Terrell won a bronze medal in the 80 metres hurdles and came eighth in the shot-put and 10th in the discus. He also won the Kingsway Centre Championships in the under-13s 100 metres, 80 metres hurdles, long jump, shot-put and javelin.

I also want to mention two of the other up-and-coming Landsdale and I think future WA state athletes. Carly Trewin is now an under-12 who has been competing for seven years. At the state Little Athletics championships in March she won four silver medals for the hurdles and throwing events. I am also informed that Shakeel Alexander, now also an under-12, won three gold and two silver medals at those state championships. They are great talents for the future of Landsdale Little Athletics club and Western Australia.

**Down Syndrome Awareness Week**

Ms Saffin (Page) (6.46 pm)—To mark Down Syndrome Awareness Week, I want to talk about what is going on in my electorate of Page. We are lucky to have such an active, artistic community and a wonderful service organisation called RED Inc., which stands for ‘realise every dream’. Their aim is to support young people with disabilities to achieve their goals, realise their dreams and maximise their potential. In July this year RED Inc. staged a musical production called *Showboat of Dreams*. About 40 people performed in this vibrant musical production. A crowd of 500 packed the Lismore City Hall and the production received rave reviews. This month RED Inc. staged its second annual art exhibition at Lismore’s Serpentine Gallery, called *Any Medium Goes*. Working in portraiture, landscape, abstraction, printmaking, ceramics and multimedia, these young artists have expressed all facets of life: passions and dreams, love of community and hope for the planet and its future.

I am proud to be part of a community that celebrates abilities in people with Down syndrome and other disabilities, but it is not all singing and dancing and good news for people with Down syndrome and their families in Page. As in many regional areas, there are gaps in the services available and often a lack of social support. Young mothers with new babies with Down syndrome can face the daunting task of trying to understand the special health needs of their child without the advantage of some of the support groups in the cities. A child with Down syndrome may have major health problems as well. This can mean travelling to a city hospital. *(Time expired)*

**Parkes Electorate: Coonamble Skate Park**

Mr Coulton (Parkes) (6.48 pm)—I would like to speak tonight about a special event that happened in my electorate of Parkes last week and that was the opening of a skate park in the town of Coonamble. Coonamble is a reasonably isolated town of about 3,000 people in the western part of my electorate. It is quite a distance from any large major centres. What was special about the opening of this park was that it was instigated by the children of the town. I would particularly like to mention Aaron and Jarred Linton-Harland and Zac Thomas...
for their work in instigating this program and getting it going. They were rewarded for their foresight and hard work by being given the honour of cutting the ribbon.

A skate park might not seem much to many, but in Coonamble it is a big deal. There are not a lot of activities for young people. What made it special was the fact that it was something that the children sought and fought for themselves. What also made it special was that it was funded and supported by three levels of government and the local community. Regional Partnerships, which has been much maligned in this place, contributed $46,000. The New South Wales state government contributed quite a large amount. The local council contributed too, and the local students contributed quite a bit through their own fundraising. This is a classic example of when local communities, local government, state government and federal government work together to produce real outcomes that are of benefit to the whole community.

Lindsay Electorate: St Marys Spring Festival

Mr BRADBURY (Lindsay) (6.49 pm)—I rise to acknowledge the success of the 2008 St Marys Spring Festival which took place in St Marys last Saturday. In its 33rd year, the festival was scheduled to be held on 6 September but was postponed due to rain. As a result of the herculean efforts of the organising committee, the event was reorganised within a matter of five weeks. This was no small feat, considering that the festival is a major event in the local calendar and showcases St Marys, attracting crowds of over 40,000 people.

Behind the scenes, many hours of hard work have been dedicated towards making this event a success. I take this opportunity to thank and congratulate the volunteers who enable the festival to take place each year. The organising committee includes: Tony Biddulph, Chairman; Norma Thorburn, Secretary-Treasurer; John Wilcocks, Vice-President; Isobel Lowe, Publicity Officer; and Leonie Hannah, Minutes Secretary. Other committee members are Maurice Spalding, Dorothy Radford, Marj Elphick, Judy Shepherd and Councillors Greenow, Allison and Davies. I also acknowledge the two junior committee members assisting over the last two years, Trevor and Hayley Elphick. I also acknowledge the Penrith City Council for its financial and in-kind support of the festival; the Erskine Park and Llandilo brigades of the Rural Fire Service for acting as marshals; and the members of the Mustang Owners Club under Wayne Byrne’s leadership, who provide the spectacular vehicles that lead the parade. I acknowledge all of these hardworking individuals and the many other volunteers for their contribution to the promotion and enrichment of our local community.

Fuel Prices

Mr RAMSEY (Grey) (6.51 pm)—I take this opportunity to inform the House of the absolute malfunction of fuel pricing in regional South Australia and, in particular, the regional city of Whyalla, and the apparent impotency or complete lack of concern shown by the ACCC. Over the last three months, petrol in Whyalla has been as much as 10c a litre dearer than in Adelaide and, even more disturbingly, diesel has been 20c a litre dearer. Given that the cost of freight from Adelaide to Whyalla is only about 3c a litre—and we are talking here about one of the biggest regional markets in South Australia—it is apparent that the competitive market is failing.

I raised the issue with the ACCC and just today received a response. The commission uses information from a report from last year to explain that the main factors for higher fuel prices in country areas are smaller populations, greater distances from terminals, less competition
and lower volumes. It points out that, because country sites refuel less often than city outlets, price drops take longer to work their way through the system. I refute all of these arguments. Whyalla has the second- or third-largest regional population in the state and, as a result, outlets fill frequently. It is only 380 kilometres from Adelaide and 270 kilometres from Port Lincoln—both fuel terminals—equating to a freight differential of between 2c and 3c per litre, and there are at least seven outlets in the city. Nearby centres have significantly cheaper prices than Whyalla—in fact, Port Augusta, just 80 kilometres up the road, and nearer to Adelaide, is averaging diesel prices 15c a litre lower. For the ACCC to tell Whyalla citizens, through me, that a 20c premium for diesel is all part of the natural cycle is totally unacceptable. Either the ACCC has no teeth or it doesn’t care. (Time expired)

Poverty

Ms PARKE (Fremantle) (6.52 pm)—Members will be aware that this week Micah Challenge, a global alliance of churches and Christian groups, are holding a Voices for Justice event in Canberra as part of the campaign in support of the Millennium Development Goals. Micah Challenge is working closely in this objective with the Make Poverty History coalition of more than 60 aid agencies, community groups and religious organisations within Australia, which is calling upon the Australian government to take the following steps needed to achieve the Millennium Development Goals: increase Australia’s aid and ensure it is used effectively, make trade fair, drop the debts of poor countries, help poor countries keep their governments accountable, and tackle climate change in developing countries. In the Millennium Declaration adopted by the UN General Assembly in September 2000, leaders from all over the world, including Australia, resolved that:

We will spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty, to which more than a billion of them are currently subjected.

I am aware that there is a private member’s motion about poverty to be debated shortly. I congratulate the member for Parramatta for moving the motion and all those members speaking in support of it. I hope that, with bipartisan support, this parliament and this government can help ensure an end to poverty in our lifetimes.

The DEPUTY SPEAKER (Ms AE Burke)—Order! In accordance with standing order 192A, the time for members statements has concluded.

PRIVATE MEMBERS’ BUSINESS

Poverty

Debate resumed, on motion by Ms Owens:

That the House:

(1) notes:

(a) that 12-18 October marks Anti-Poverty Week with the United Nations declaring Friday 17 October as International Anti-Poverty Day; and

(b) that the last time Australia contributed .5 per cent of Gross National Income (GNI) was in 1974-75 and that the contribution has declined since then to as low as .25 per cent from 2000-04;

(2) recognises:

(a) the Federal Government’s commitment to lifting the nation’s contribution to .5 per cent of GNI by 2015; and
(b) that the majority of the world’s poor live in our region;
(3) commends the excellent work done by Micah Challenge and Make Poverty History in bringing this matter to public prominence; and
(4) calls on the Government to continue to play a leadership role in our region and to honour our commitment to the Millennium Development Goals.

Ms OWENS (Parramatta) (6.54 pm)—This week is Anti-Poverty Week and the United Nations has declared this Friday, 17 October, International Anti-Poverty Day, so it is appropriate this week that so many of us rise to draw attention to the plight of nearly one billion people around the world. It is appropriate, of course, that we keep global poverty in mind every day, as nearly 10,000 children die each day from hunger and malnutrition.

This morning on the lawns of Parliament House hundreds of people from Micah Challenge, Make Poverty History and the Global Alliance for Vaccines and Immunisation gathered to welcome a group of cyclists who had ridden from Brisbane to Canberra to draw attention to the plight of those living in poverty around the world. On arriving, they cycled once around Parliament House for each of the eight Millennium Development Goals—once to eradicate extreme poverty and hunger; once to achieve universal primary education; once to promote gender equality and empower women; once to reduce child mortality; once to improve maternal health; once to combat HIV-AIDS, malaria and other diseases; once to ensure environmental sustainability; and finally, on the eighth time, to develop a global partnership for development.

In the words of the Parliamentary Secretary for International Development Assistance:

The Millennium Development Goals are tangible, real indicators of success in the struggle against global poverty and inequality. It is impossible to be committed to a world where children grow up free from the scourge of poverty, illiteracy and disease without accepting that the Millennium Development Goals are the medium-term goals for which we should aim.

We are at the halfway point and there have been some key successes. For example, in all but two regions primary school enrolment is at least 90 per cent. The gender parity index in primary education is 95 per cent or higher in six of the 10 regions, including the most populous ones. Deaths from measles fell from over 750,000 in 2000 to 250,000 in 2006, and about 80 per cent of children in developing countries now receive a measles vaccine. Some 1.6 billion people have gained access to safe drinking water since 1990, and the share of developing countries’ export earnings devoted to servicing debt fell from 12.5 per cent in 2000 to 6.6 per cent in 2006, allowing those countries to allocate more resources to reducing poverty.

But in other areas much greater effort is required. About one-quarter of all children in developing countries are considered to be underweight and are at risk of having a future blighted by the long-term effects of undernourishment. Of the 113 countries that failed to achieve gender parity in both primary and secondary school enrolment by the target date of 2005, only 18 likely to achieve that goal by 2015. More than 500,000 prospective mothers in developing countries die in childbirth or as a result of complications in pregnancy. Some 2.5 billion people, almost half the developing world’s population, live without improved sanitation. Developed countries’ foreign aid expenditures declined for the second consecutive year in 2007 and risk falling short of the commitment made in 2005.

The last time Australia achieved the interim target levels of 0.5 per cent of GNI was way back under the Whitlam government in 1974-75. The figure has steadily declined since,
reaching an all-time low under the previous government of 0.25 per cent of GNI between 1999 and 2004. In 2007, the Australian government ranked 13th out of 21 developed OECD donor countries in per capita aid. In contrast, as private individuals we ranked second in private donations to non-government organisations, demonstrating what a generous community we are.

The Rudd government made an election commitment to meet the 0.5 per cent of GNI target by 2015. The 2008-09 budget contained a projected nine per cent real increase over the 2007-08 budget figure, bringing the total in the 2008-09 year to $3.7 billion, or 0.32 per cent of GNI, and that lays the foundation for filling our election commitment. There was also a post-budget announcement by the Prime Minister on 13 June for a four-year $49 million maternal and neonatal health program for eastern Indonesia to make pregnancy and childbirth safer for women in Indonesia’s poorest area. These are small, positive steps to re-establish Australia as part of the global community working to halve poverty by 2015. In the words of Ban Ki-moon, the UN Secretary-General:

We must act now and together, responsibly, as one world community, for one shared humanity. (Time expired)

Mr SIMPKINS (Cowan) (6.59 pm)—This motion is about poverty. As we know, this is Anti-Poverty Week and Friday is International Anti-Poverty Day, as declared by the United Nations. The aiming mark for foreign aid is to be increased to 0.5 per cent of gross national income, and I note that the government has committed to achieving that mark by 2015. It is appropriate to note that increases in Australian foreign aid have been made over many years in real terms. However, when we think of the keen focus on a mark of 0.5 per cent, we should be very careful that this does not become our only focus. Should we reach that mark, it should not be ‘game over, tick the box or mission accomplished’. Even though the Rudd government has said it will take six years to reach the mark, it is critical that we focus on making sure foreign aid targets the capacity to ensure self-sufficiency. Yes, stopping people starving right now is very important, but aid designed to develop agriculture and water projects is where the long-term focus, the goal, must be. Critically important also is the need for governance and strong systems in the countries receiving aid. Take a look at any country where the government is corrupt and where resources are diverted from the people to a ruling elite and you find the greatest hallmarks of poverty. The need for an effective or progressing democracy should be linked firmly as a prerequisite to our aid programs in order that we may have confidence that the money is going to count for the people suffering in these countries.

It is appropriate that I also make mention of poverty in Australia. In this country I know that ACOSS has defined the poverty line as 50 per cent of median disposable income, which I understand was $281 per week in 2006. That figure sounds familiar these days, because here we are in late 2008 and that is what the aged single pension and a number of other pensions round out to per week. It is my view that not all of those on $281 per week in 2008 are in poverty but they have to be very well organised to be able to afford housing, transport, food and clothing. I think a single age pensioner would have to own their own home to be able to afford to live on that amount. I would, however, like to take up the case of someone who is not even getting that much, Mrs Margaret Anne Ryan, a constituent of mine in Ballajura. Mrs Ryan is 60 years old and a recipient of the widow’s pension. Mrs Ryan sent me an email last week, which said:

(Mrs Ryan)
Whilst I am pushing for the pension to be increased I am mainly interested in getting my benefit increased which is the “widow allowance” now that benefit is NOT a pension it is only the same as the Newstart benefit which is what you get when not working. The “widow allowance” is around about FORTY dollars a week LESS than the single aged pension and that is what I want corrected. At the present moment on the $245.90 a week I am getting, after I pay my mortgage and the other bills I am lucky if I have fifty dollars to buy food and pay for bus fares.

It is not a nice situation to be in where you only have fifty dollars to your name and face the daily prospect of not only losing the house you are in but getting all the amenities cut off.

I worry that people like Mrs Ryan are under the poverty line and cannot afford three meals a day. This is the front line in this country for those on fixed incomes who face potential poverty. Here is an older Australian who is community minded—and I can personally vouch for that—and doing the right thing in 2008, as she has always done in her life. So where is the government for all the Mrs Ryans in this country? It is hard for me to speak in favour of increased foreign aid when I know how hard she and others like her are doing it. There is of course a big contrast between Mrs Ryan and those people who tell me how tough times are whilst standing in front of their houses, with two cars, a huge wide-screen TV and a Foxtel subscription. I also make known my concern about those parents out there who might prefer drugs, alcohol or cigarettes before healthy food for their children. There is a marked difference between people in those sorts of circumstances who have adopted those sorts of lifestyle choices and someone like Mrs Ryan, who has always done the right thing and stands in a very difficult situation.

This brings me back to the main issue, and I will finish by saying that there are people suffering here and around the world. Aid should be given, either in the form of increased pensions or payments here or by foreign aid, but always with accountability.

Ms BIRD (Cunningham) (7.04 pm)—This week from 12 to 18 October marks Anti-Poverty Week and the United Nations has declared Friday, 17 October as International Anti-Poverty Day. During this week we reflect on poverty in Australia and recognise that, although our country is not perfect, Australians are in many circumstances much luckier than people in other parts of the world. We are a rich country and as such we have a moral responsibility to play a role in helping developing countries establish good education and health systems, as well as stable government. In 2008-09 Australia will provide nearly $4 billion in official development assistance, ODA. Nearly $3 billion will be managed by AusAID. The ratio of Australia’s ODA to gross national income is estimated at 0.3 per cent for 2007-08. The 2008-09 budget increases the ratio to 0.32 per cent. The government expects the ratio to increase again to 0.35 per cent in 2009-10, 0.37 in 2010-11 and 0.38 in 2011-12. The government has a commitment to increase Australia’s ratio to 0.5 per cent by 2015-16.

The Asia-Pacific region remains a poor part of the world. The Asia Development Bank and the United Nations estimate that about 641 million people in this region continue to live on less than one US dollar a day. Australia has been a strong supporter of the Millenium Development Goals. These goals were adopted unanimously by the United Nations Millennium Summit in September 2000. The MDG are a set of global development objectives to be achieved by 2015. The MDG have eight specific objectives, including eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV-AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a
global partnership for development. The 2008-09 budget also provided assistance to faster progress towards the MDG by increasing Australia’s multilateral engagement, development financing and Australia’s core funding for key UN agencies. The budget also established new programs in infrastructure development, land administration and public sector capacity building.

I have many constituents in my electorate who have contacted me since my first election on the issue of Australia’s foreign aid. They have expressed an interest in Australia’s foreign aid program and expressed to me a desire for an increase in Australian ODA. I have been pleased to inform my constituents of the government’s commitment to increase our ODA and I am delighted to inform the chamber that there are many organisations in my electorate which also do their bit in working towards those objectives.

There are also volunteer organisations which help refugees and refugee families once they arrive in Australia to integrate into our community. I am patron of an organisation called SCARF, which is made up of volunteers. They work to provide assistance to local refugees who settle in Wollongong from the African continent. They do excellent work running homework programs for children, running learn to drive programs for adults, teaching adults how to seek work in a local area and working with local employers to increase their ability to become full citizens.

I should indicate that I am also a member of the Australian People for Health, Education and Development Abroad, APHEDA. I would like to take the opportunity to pay tribute to people in my own local area like Cathy Bloch, who is a local trade unionist I have known for a long time, an activist and a particular advocate on behalf of APHEDA. In fact, she told me that on the weekend they had a very successful fundraising dinner. I think it is a really important role that the union movement has played through its international connections through that organisation. I also acknowledged Peter Jennings, APHEDA’s executive officer, who I have dealt with on a number of occasions as well.

APHEDA was established in 1984 as the overseas agency of the Australian Council of Trade Unions. My connection to it goes back to my teaching days and I have been very pleased to be able to continue to participate in it. I particularly like the program where you can decide what particular areas you would like to focus your donations in and to do some extra work for women and children in some of the countries where they provide assistance.

Anti-Poverty Week is an important week and our electorates do their bit. It is important that the government also does its bit in meeting those goals.

Mr COULTON (Parkes) (7.09 pm)—I am very happy to speak on this motion relating to international poverty and Australia’s efforts to assist those in need. As we all know, this week is Anti-Poverty Week and the United Nations has declared this Friday, 17 October, International Anti-Poverty Day. As Australians, we are extremely fortunate to live in a country where extreme poverty is not a common occurrence. But as those of us who have travelled in neighbouring regions know, we do not have to go very far to find people who are living in horrific conditions.

Earlier this year I was very fortunate to be part of the Australian parliamentary delegation to Cambodia to observe Cambodia’s fourth national general elections. My visit to Cambodia really highlighted for me the level of poverty that exists within our region. During the eight
days I spent in Cambodia I travelled beyond its centre, Phnom Penh, and throughout the countryside, which allowed me to gain an insight into the realities of life in an impoverished nation. As Australians we live in a country where, although poverty is not unknown, absolute poverty is a rarity. Cambodia is a country where absolute poverty lies around every corner. Whether I was walking the streets of the capital or travelling through the remote countryside, there were scenes of abject poverty which have been seared into my memory. For decades, the Cambodian people suffered at the hands of oppressive and corrupt governments—most famously under the Khmer Rouge and its brutal leader, Pol Pot. No single person in Cambodia would remain untouched by the horrors of the past. Indeed, under Pol Pot a population of eight million was reduced to five million in a matter of years. While the recent election brought with it a number of positive developments and the tide looks like it is finally turning, the repercussions of Pol Pot’s murderous regime will linger for some time yet, with perhaps the most unfortunate consequence being widespread poverty.

According to common poverty measurements, such as income and broader human development indicators, Cambodia is one of the poorest countries in the world. The statistics are alarming. For example, about one in three Cambodians live below the national poverty line of just 45c a day. It is not until you see the human toll behind the figures that the full realisation of absolute poverty becomes apparent. Added to this, the internal troubles are extrapolated by external ones. Fears over political instability and corruption have, to a large extent, deterred foreign investment in the country. Corruption is both a cause and an effect of poverty, and the historical corruption that has become almost synonymous with Cambodia’s ruling elite has been perhaps the most direct factor in the inadequate levels of health care and education, for example.

I would like to commend the excellent work carried out by AusAID across Cambodia. In the 2008-09 financial year, Australia will provide approximately $37 million to promote development, stability and prosperity in Cambodia. AusAID aims to increase the productivity and incomes of the poor, reduce vulnerability and strengthen the rule of law. There are many incredible projects operating in Cambodia, and one in particular that I enjoyed visiting was Radio National Kampuchea, which operates under AusAID’s Cambodia Radio Development Assistance Program. The radio station has set new standards for political debate in Cambodia and has introduced a talkback program to enable broadbased participation by those living in rural and remote communities. This was the first election that Cambodia has had where the population had access to such a great thing. The day we were there, we actually saw this undertaken—in very primitive conditions but it is an excellent step forward for democracy.

Improving agricultural practices is one of the goals of AusAID’s work in Cambodia. Through programs such as the Agriculture Value Chain Program, the Agriculture Quality Improvement Project, Integrated Rural Development and Water Resource Management, farmers, researchers and policymakers in Cambodia are learning practical skills which will ensure improved food security and productivity, better marketing and value-adding for products and increased income for farmers. I was able to observe some of the benefits of these programs during my visit and I was extremely impressed by the high standard of the work being undertaken.

In addition to the projects run by AusAID, there are many volunteers working for non-government organisations in Cambodia who are devoting years of their lives to helping the
Cambodian people overcome the repercussions of poverty. I was very privileged to meet some of these great young Australians, and we should be very proud that they are over there giving their time—basically free of charge—to help an impoverished nation. It is a testament to the human spirit that so many people give selflessly in order to improve the lives of others. I would like to commend the excellent work done by Micah Challenge and Make Poverty History across the world. Make Poverty History, in particular, has made an invaluable contribution in the fight against global poverty by putting the issue firmly on the political and public radar.

Mr RIPOLL (Oxley) (7.14 pm)—It gives me great pleasure to speak on this motion tonight. I applaud the member for Parramatta for moving this motion, in that it is Anti-Poverty Week and Friday also marks the United Nations International Anti-Poverty Day. Along with many members—I would say most members of the House—I am very proud to be part of this government’s commitment to the Millennium Development Goals. There are currently two UN targets in place. Firstly, there is an interim target of 0.5 per cent of gross national income. Secondly, there is the ideal target that we want all nations to commit to, which will see aid become 0.7 per cent of GDP over time. The sad fact is that the previous government sat idle on this issue for 12 years. Our current contribution is very low, at around 0.3 per cent, which means it is a massive leap to get to 0.5 per cent by 2015. We are committed to the 0.7 per cent, but it will take some time. In difficult economic times it can be tempting for some people to say that less should be spent on foreign aid. But the reality for the world’s poorest is that every day represents great economic hardship, at levels that we cannot even begin to understand. Foreign aid is something that should never be politicised; it is something that should be maintained and improved by governments all around the world, not just the Australian government.

The Australian government is also committed to continue increasing the aid budget beyond 2010 so that it reaches the interim Millennium Development Goals funding target of 0.5 per cent of gross national income by 2015. The recent federal budget laid the foundation for the implementation of this long-term goal. There is no need to say this, but I will say it anyway: being fiscally responsible and being very careful in the way we put together the budget gives us the opportunity to be able to meet our millennium goals and our targets while at the same time managing the economic crisis that we all face—and we will do that. Australia will provide an estimated $3.7 billion in overseas direct aid in the 2008-09 budget, increasing Australia’s aid from 0.3 per cent of GNI in 2007-08 to 0.32 per cent in 2008-09. The government expects to increase Australia’s aid to levels equivalent to 0.38 per cent of GNI in 2011-12. World Vision and others in the Make Poverty History Alliance have been extremely positive and excited about this commitment.

Of course, increased funding is only one aspect of the government’s commitment to end global poverty. Ensuring that aid funds are spent effectively on poverty reduction and making sure that we collectively achieve with other nations the maximum possible benefit is also essential. The government is committed to increasing both the quality and the quantity of the Australian aid program and retains the target ODA level of 0.7 per cent of GNI as an aspirational goal.

To this end, reforms are well underway to strengthen the effectiveness of our aid. For example, the *AusAID Development Research Strategy 2008-10* provides greater transparency on
the performance of the aid program to the Australian public and will encourage greater debate on the challenges facing our region. This strategy outlines the way AusAID will increase the role of research in contributing to the effectiveness of the aid program, including a whole range of things that we are doing—strengthening funding for development research, establishing stronger ties and a whole range of other really effective applications that we can put forward. In the end, by partnering with other organisations and institutions we can increase the effectiveness and the efficiency of the money that we provide in direct foreign aid.

Australians sit proudly as the second-most generous aid contributors in the world in terms of contributions to non-government organisations. We have a very strong and long history and we have seen in recent years just how generous Australians can be. I think that is at most times also reflected in the culture in the Australian government. The government is committed to ensuring that Australia once again becomes a development leader by ensuring that an increased aid budget has a genuinely positive impact on those who need it most.

I would also like to recognise and congratulate the dedicated and very enthusiastic cyclists who rode from Brisbane to Canberra as part of the Micah Challenge. Being an avid cyclist myself it was great to see such a devoted team highlighting the plight of so many millions of children around the world.

Mrs May—Did you ride, Bernie?

Mr Ripoll—No, I have to say that, to my great despair, I did not ride the 1,500 kilometres—although I would have loved to! But congratulations to the Make Poverty History campaign people, who do a fantastic job, and also to the Micah Challenge. Any support that we can give them is always something that is warranted. I support this motion and commend it to the House.

Mrs May (McPherson) (7.19 pm)—I rise tonight in support of this motion on a heart-breaking issue—namely, the unacceptable levels of poverty in the world. Personally, I have seen firsthand, during my own years working in developing countries, the impact of poverty and disease on people’s lives. I commend the member for Parramatta for bringing this motion before the House and I now understand why I saw her earlier today in the car park in her bike gear. She was obviously on her bike this morning, which is great.

This week, as previous speakers have highlighted, marks Anti-Poverty Week, and Friday, 17 October marks International Anti-Poverty Day. Our neighbours in the Asia-Pacific region, to our great shame here in Australia, have some of the highest levels of poverty in the world—poverty on a scale that we do not see here in this country. Urbanisation in this region has grown at an unparalleled pace, more than in any other region in the world, but it has come at a cost. There is no doubt that urbanisation has resulted in economic growth, and this is certainly to be applauded, but sadly it has also resulted in higher levels of poverty. According to the United Nations Economic and Social Commission for Asia and the Pacific, two out of every five people who live in urban areas in the Asia-Pacific region reside in slums with no access to clean water. In September 2000, the international community responded to the issue of poverty by coming together at United Nations headquarters to adopt the United Nations Millennium Declaration, which commits each signatory nation to reducing extreme poverty with a series of targets to be met by 2015. As we know, this declaration has become known as the Millennium Development Goals. The goals include halving extreme poverty, halting the spread of HIV-AIDS and providing universal primary education.
In September this year, the UN Secretary General convened a high-level meeting on the Millennium Development Goals. We are now at the halfway point towards the 2015 target date and we must urgently increase our efforts if we are to meet the goals by 2015. The seeds of poverty are planted in indifference, but I am pleased that we in Australia—indeed, successive governments in Australia—have embraced the Millennium Development Goals. The goals are ambitious—there is no doubt about that—but they are also achievable as long as we, as a nation, maintain our focus, our drive and our commitment to reaching them. I believe education is the key to alleviating poverty, particularly for women.

It is lamentable that in many developing nations women are often left out of the equation. I truly believe that economic change must start with women. Along with education, one way to bring about this change and empower women is through microcredit programs. The tremendous work undertaken by AusAID in providing microcredit facilities has made it possible for many thousands of men and women in countries such as China, Sri Lanka, India, Papua New Guinea, Indonesia, Vietnam and Vanuatu to access loan services. Microcredit provides a facility for the poorest people in the world to take care of themselves and their families and achieve some level of independence.

As Australians, our responsibility is huge, particularly in the Asia-Pacific region. Poverty breeds discontent. The eradication of poverty assists with the security of our region. Everyone on our planet, irrespective of where they live, the colour of their skin or the level of their education, should have access to fresh food, clean water, shelter and education. Last year there were food riots in 30 countries, something unheard of in this country—food riots by people who cannot access food on a daily basis. According to the World Bank, 850 million people around the world are malnourished. The hurdles to achieve success are immense. Climate change, rising food prices and rising fuel prices are only a few of the challenges we face. As such, the commitment to ending poverty should be a priority for Australia and, indeed, for the world. I commend the motion to the House.

Mr GEORGANAS (Hindmarsh) (7.24 pm)—I too would like to congratulate the member for Parramatta for bringing such an important motion to the House to highlight this very important issue that affects many poor nations around the world. As the motion identifies, 12 to 18 October has been declared Anti-Poverty Week, with this Friday 17 October being International Anti-Poverty Day. I would doubt that anyone truly disbelieves the merits of relatively wealthy nations such as Australia contributing to the development of poorer nations and the rise in living standards of their populations. Ongoing commentary and analysis of collective progress towards the UN’s Millennium Development Goals reminds us of the impoverished circumstances and lives of so many hundreds of millions of our fellow human beings around the world—circumstances that have persisted for generations, but circumstances in which current generations look to a brighter future as a result, in part, of the efforts and support of wealthier countries.

A few recent reports indicate that the proportion of people living on less than US$1.25 per day has decreased from 29 per cent of the world’s population in 1990 to 18 per cent in 2004, and it is expected to decrease to 12 per cent by 2015. The number of children dying from preventable diseases around the world has decreased by half, to 30,000 per day—that is a 50 per cent drop, albeit over 20 years. Now we are experiencing 30,000 deaths per day, virtually a million per month, which is over 10 million per year. Two million more people are being
treated for AIDS, while two million more people are infected every year. Forty-one million extra children are going to school. While some nations continue to make progress towards meeting the eight Millennium Development Goals by 2015, some nations face the prospect of not meeting any.

Academics fear that the recent world food shortages and oil spike may have wiped out recent gains in many, many countries. In particular, in our neighbourhood, Papua New Guinea is at risk of not reaching one of the eight Millennium Development Goals. A recent report highlights their disadvantage. Fifty per cent are under a basic-needs poverty line; 46 per cent of children do not complete primary school; child mortality is at 74 deaths per thousand; maternal mortality is at 470 out of 100,000; and 475 people per 100,000 contract TB. As such an important and close neighbour, Papua New Guinea’s predicament must call Australia to intensified action. The government has of course committed to increasing the share of Australia’s wealth dedicated towards international development. No doubt the systems that need to be put in place to channel these increasing funds towards real and measurable outcomes need time to develop. We must of course make sure that our action is effective and that development assistance achieves the outcomes for which we all strive.

Australia’s historical government aid may not be the most effective means of achieving shared Millennium Development Goals, Australia’s government aid might not even be the most useful in every context, but there is enormous collective will focused on the realisation of the Millennium Development Goals throughout the Australian community and overseas populations. We are blessed with a well-educated population and a highly skilled private sector. We have a population that will stand up for what is decent and right. I believe that a tremendous opportunity exists for the Australian population itself to contribute to the alleviation of overwhelming poverty in our very own region.

I support of course our government’s increase in government aid, the increase in the focus of our aid and the attempt to improve the results of our aid, but I especially wish to congratulate the Australian public for its lack of acceptance of world poverty and its continuing attempts to highlight the acute and unnecessary levels of disadvantage, disease and death in so many nation states around the world, including in our very own backyard. I wish to give all the encouragement I can to those people, whether they are community volunteers, as we saw here on the parliament lawns today, church groups or the more altruistic within the private sector, who continue in their efforts to make our world a better place for the bottom billion-odd people around the world today and the billions and billions of our fellow human beings who we hope will not be born into poverty in the decades ahead. I commend the motion to members of the House.

Mr Johnson (Ryan) (7.29 pm)—I am pleased to speak on this motion on poverty and, like my colleagues, I thank and commend the member for Parramatta for bringing this matter to the attention of the House and Australians generally. Australia is a very lucky country. Australians are blessed to live in a land that is not only free and democratic but rich in culture, wealth and opportunity. It is that opportunity that allows us to develop our talents and to fulfil our goals and dreams. We are the blessed ones in any eyes. That is not the case for hundreds and hundreds of millions of our fellow citizens across the world. That is why this motion is important. Although there are very difficult global economic challenges, relatively speaking Australians live in prosperity, in harmony and in a peaceful nation. Therefore, it is all the
more important that we in the parliament remember that there are so many who do not have the opportunities that we in this country have.

This week is Anti-Poverty Week. It aims to strengthen the public understanding of the causes and consequences of poverty and hardship around the world and in our own part of the world, the Asia-Pacific region. It aims to remind us to encourage research, to discuss all the issues around poverty and trying to alleviate poverty and to address these problems in a collaborative and sustainable fashion. This includes actions by individuals, communities, organisations and governments at all levels. The principal national sponsors of this week are Community Sector Banking and Jobs Australia. There are some 13 national sponsors. I thank them for their participation in Anti-Poverty Week. Anti-Poverty Week has grown from four activities in 2002 to more than 250 registered activities last year. That shows the interest of Australians in doing their bit and raising awareness in the community.

In Australia Make Poverty History is a coalition of more than 68 agencies, community groups and religious organisations. The coalition seeks to ensure the Australian government creates policies that guarantee and improve aid. It focuses on debt relief, fairer trade, helping poorer communities to keep their governments as accountable as possible and trying to honour the commitments made to the Millennium Development Goals. The Millennium Development Goals are of deep interest to my constituents in the western suburbs of Brisbane in the Ryan electorate. It is an electorate that is very community minded and that takes a deep interest in the affairs of our region and the world, particularly the struggling parts of our world. The Millennium Development Goals are a series of goals and milestones aimed at trying to halve poverty by 2015. The eight main goals are: to end poverty and hunger, to achieve universal education, to reduce child mortality, to promote gender equality, to improve maternal health, to combat HIV/AIDS, to ensure environmental sustainability and to develop a global partnership for development. The goal is to meet all MDGs by 2015, and rich countries need to more than double their current aid levels. As a member of the national parliament of Australia, I want to lend my support to this tremendously worthwhile and visionary initiative.

We live in a very fortunate country, but in our region there are so many countries that are struggling. My mother is of Chinese background and I have heard the stories of how she grew up in desperate poverty in China. My wife is Vietnamese and I have heard her stories of deep poverty in the towns and the villages that she grew up in with her family in Vietnam. I grew up in the country to our north, Papua New Guinea, and I have had a little bit of exposure to the great challenges of so many people. I very sincerely add my voice to this motion and thank the member for Parramatta for her initiative. I ask all my colleagues to try and focus on this as well as on all the other main issues in the national debates of this country.

Mr HAYES (Werriwa) (7.34 pm)—I too begin by thanking the member for Parramatta for raising this very, very important issue. Poverty and severe hardship affect more than a million Australians, and more than a billion people around the world would be considered desperately poor. Anti-Poverty Week, which focuses on poverty around the world, commenced yesterday and was established in Australia as an expansion of the UN’s annual International Anti-Poverty Day, which is on 17 October. The success of this week depends on people and organisations taking action and, particularly, drawing attention to reducing poverty and hardship throughout the world. Last year, there were more than 250 official events, and this year I have
been advised that the figure will be even higher, which is a positive testament to the effects of the Micah Challenge and of the Australian community at large.

I take this opportunity to convey my gratitude to organisations in my electorate who are undoubtedly changing the lives of people and making a difference. Only last week I attended the community kitchen run by the Church at the Crossroads in Liverpool. I acknowledge the outstanding contribution of Pastor Gino Zucchi, national coordinator Tony Benjamin and Liverpool coordinator Jessica Buffa in providing services to the disadvantaged people of the south-west of Sydney. This community kitchen in Liverpool offers free, regular and nutritious meals to many people who would otherwise not have access to those meals. Additionally, it is also a great referral point where people can be put in contact with emergency accommodation, counselling and legal services, and more importantly it is an opportunity for social interaction. When I was talking to some of the people during my visit there last week, they were telling me how much they appreciate that there are people in our community that care for them. Imagine that on a worldwide scale. What makes this program at Liverpool even more wonderful is that Work for the Dole participants work there serving meals, providing hospitality to these people and, hopefully, receiving a sense of fulfilment from helping others in the community less fortunate than themselves.

Another area of my electorate I also draw attention to is the Guise breakfast club that Bernadette, my wife, and I attended a couple of weeks ago. Seven years ago, this club was started by Linda Ufope, a former P&C president of the Guise Public School, which is in the middle of Macquarie Fields. Dedicated volunteers provide breakfasts to kids who otherwise would be at school without any breakfast on a daily basis. Throughout the years, this program has provided a safe place for thousands of kids and has also resulted in improving attendance rates. The club runs five days a week and has at least a hundred kids every day it operates. So my sincere thanks go to the principal of the school, Bev Newitt, the current P&C president, Anne Sibley, and all of the volunteers and parents who volunteer their time.

On a wider scale, the Rotary Club of Ingleburn has taken on a very substantial commitment in helping the Nofo School on Emae Island in Vanuatu, an area in our own backyard. Vanuatu has a very small population, limited industry and resources and would be regarded as a very poor South Pacific nation. Its young people are increasingly vulnerable to poverty and health problems, particularly HIV and AIDS. I thank the President of the Rotary Club of Ingleburn, Reg Robinson, and his members, for what they are doing—physically building a school on this island for those kids to give them an opportunity.

Finally, I would like to acknowledge the efforts of both the Micah Challenge, who are here today and whom I will be meeting with tomorrow, and the Make Poverty History campaign for their continued commitment to this important matter. I understand that the UN aid target of 0.7 per cent remains an aspiration. This government has made an election commitment, and will honour it, to increase official development assistance to 0.5 per cent of gross national product by 2015, which is a Millennium Development strategy. I also note that this is a substantial increase in our international commitment. There are many different ways to make a difference, and I am proud to be a member of a government that is determined to maintain its focus on reducing disadvantage and improving the life chances of children and families throughout the world.
Mr ROBERT (Fadden) (7.40 pm)—I rise to support the motion as part of Anti-Poverty Week and to lend my voice to the call for the Australian government to continue to play a leadership role in our region and to honour our commitment to the Millennium Development Goals. At the millennium conference in September 2000 Australia joined the rest of the world in saying, as part of the UN Millennium Declaration:

We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.

For these fine aspirations to be achieved, it is essential that Australia continue to scale up its aid, as planned, towards 0.7 per cent of GDP.

By way of history: in 1970, the international community adopted an aid target for more-developed countries of 0.7 per cent—that is, developed countries should devote 70c in every $100 they earn to international development assistance. The international aid target of 0.7 per cent of GDP has been affirmed on numerous occasions by the international community, including the UN General Assemblies of 1980 and 1990, the 1992 Rio de Janeiro Conference on Environment and Development, the 1995 World Summit for Social Change and Development in Copenhagen, the 2002 World Summit on Sustainable Development in Johannesburg and the 2002 International Conference on Financing for Development in Monterrey, Mexico. The international aid target has been recognised as a national aspiration by the current government and, indeed, the previous Howard government. The international aid target provides a way of ensuring that each developed economy can make an equitable contribution to the international aid effort.

It is noted that the domestic resources of many developing countries are so low that they are unable to make the investments they need in infrastructure, health and education. For example, in 2006 government expenditures, converted to purchasing power parities, saw the government of Australia spend a little over US$6,131 per Australian, but the government of Cambodia was able to spend only $109, the government of Malawi only $122 and the government of Bangladesh $140 per individual citizen. In other words, when the governments of Cambodia, Bangladesh and Malawi seek to provide services to their people they have revenues that, in purchasing power terms, are less than 2.5 per cent of the purchasing power of the Australian government.

Development assistance can help developing countries fill the financing gap. Yet let us not be fooled: aid alone cannot solve poverty. Developing countries must implement effective plans to lift their populations out of poverty and mobilise their own public and private resources to this end. But, even after they have done this, developing countries still may need assistance for the short term, provided by developed nations, to bridge the gap between their own resources and their needed resources. We know that well-used aid can achieve dramatic and rapid results. In recent years, Australia has made significant improvements to the volume and focus of its aid program, to the point where this year the budget is 0.32 per cent of Australia’s GDP, rising to 0.5 per cent by 2015.

If the developing world is to engage and benefit from the resources provided by the developed world, the issue of corruption must be addressed. Corruption hurts countries, it harms communities and it scars individuals. It is a threat to the economic stability and security of
countries whose resources have been stolen or diverted. The Royal African Society in London have stated that Africa loses as much as US$148 billion a year in corruption—a figure that is accepted by the UN and the World Bank—which represents 25 per cent of the gross domestic product of African countries. They claim the money is rarely invested in Africa.

Eliminating corruption globally will require significant effort by all countries. However, it will not be assisted by withholding aid from developing countries. Withholding aid is likely to only increase corruption and hurt the poorest and least powerful in the countries where aid is withheld. Instead, aid needs to be targeted in ways that do not assist corruption and that support parts of society that are seeking to tackle the corruption epidemic. Whilst the answers to lifting many of the world’s people out of poverty are complex, it must start with the leaders of the developing world being honest. It must start with corruption being anathema. I commend the work of Micah Challenge and I look forward to seeing the Millennium Development Goals realised.

The DEPUTY SPEAKER (Hon. DGH Adams)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Tourism Industry

Debate resumed, on motion by Mr Ciobo:

That the House:

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

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

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

(4) acknowledges that, in the new spirit of cooperative federalism, many State Labor Governments are following the example set by the Federal Government and are reducing their support for the tourism industry.

It is often said that you can tell the nature of a friend by whether they are beside you or with you when you are doing it tough. That is the reason I moved this motion that is before the House today—firstly:

That the House:

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

Mr CIODO (Moncrieff) (7.45 pm)—There could be no clearer example of the Rudd Labor government’s hypocrisy when it comes to apparently being supportive of Australia’s $85 million tourism industry than its actions at this very point in time, a time when this industry is most in need. Australia’s tourism industry employs some 480,000 Australians. It generates in excess of $20 billion in export earnings. Yet it is an industry that the Rudd Labor government has treated as a cash cow.

The Tourism Forecasting Committee recently revised down forecasts for growth in inbound visitor arrivals for 2008 to zero. I repeat: zero. The Minister for Tourism has been travelling around Australia talking to tourism operators and others involved in the industry and saying, for example, as he did on the ABC’s PM interview with Mark Colvin on 28 July 2008:

The tourism industry is actually doing it very tough at the moment.

MAIN COMMITTEE
Further, on 19 June 2008, in answer to a question without notice, the minister said:
I also appreciate that the tourism industry today is going through a huge challenge both domestically and internationally.

Finally, on 30 July 2008—and I notice that ‘Scooter’, or I should say the member for Leichhardt, is in the chamber today—it was reported in the Cairns Post:
Tourism Minister Martin Ferguson admitted the Australian tourism industry was struggling in a tough market.

So we have all these sorts of claims from the Minister for Tourism—and I notice the member for Leichhardt nodding his head in agreement—that the tourism industry is doing it tough. We know the tourism industry, this $85 billion industry for Australia that employs some 480,000 Australians, is doing it tough.

And what is the Rudd Labor government’s solution for an industry that is doing it tough? What would you expect of a government when an industry is on its knees, battling a high Aussie dollar, battling extremely competitive destinations? What would you expect a government to do? You might say ‘a tax break’. You might say ‘tax relief’. You might say ‘extra investment in the industry’. But what did the Rudd Labor government do that the member for Leichhardt is going to stand up and defend today? It introduced $1 billion in new tourism taxes. That is the record of the Rudd Labor government. That is what the member for Leichhardt dares to come into this chamber to defend: $1 billion in new tourism taxes on an industry that is already on its knees—and that is acknowledged by the tourism minister himself.

Indeed, the minister went to Leichhardt in Far North Queensland, as I have done twice this year so far, to talk to local tour operators—and let me share something with the member for Leichhardt: they are not happy with you, member for Leichhardt. They not happy with the member for Leichhardt because all they get from him is Canberra’s voice in Cairns, not Cairns’s voice down here, not a representative for those tour operators who are literally withering on the vine at the moment because they have been slugged with $1 billion in new tourism taxes. No, what they hear from the member for Leichhardt—as they are about to hear again tonight—is a withering defence of this government’s appalling track record when it comes to the tourism industry.

That is the reason why the first limb of this motion tonight is to condemn the Rudd Labor government for abandoning the tourism industry in its time of need—and they are not simply my words; they are the words of the tourism minister himself, a man who is a fair-weather friend. When it suits the two of them—when the minister is with the operators, just like the member for Leichhardt—they are out there saying to the industry, ‘We know you’re doing it tough and we’re here for you.’ But what do they do? They slug them with $1 billion in new taxes. That is their track record and, for that, they should be ashamed.

The second limb of the motion is to note the negative impact that the Rudd Labor government’s decision to reduce funding for Tourism Australia by $5.9 million in real terms will have on the tourism industry. As I said, we already know that this Labor government has actually imposed a billion dollars of new taxes on an industry that is doing it tough. But, to rub salt into the wound, this is the same government that has now slashed funding for Tourism Australia by $5.9 million in real terms. There are all these brand-spanking-new ads that the minister loves to roll out and talk about, about how this is going to lure tourists back to Australia and about how it is going to excite and mobilise the people of Australia to travel domes-
typically. Guess what: there is now $5.9 million less available to actually promote tourism in this country.

The third limb recognises that the Rudd Labor government’s $940 million of new tourism taxes will adversely affect the 483,000 Australians employed in the tourism industry. I will read some interesting quotes, again by the Minister for Tourism. He said:

... we have had the tourism industry used to pad the government’s budget bottom line ... through the increase in the passenger movement charge, which is ripping off the travelling public ...

Or perhaps this, again said by the tourism minister:

I believe that the tourism industry is vital to the economic wellbeing of Australia and does not deserve to be hit by unnecessary taxes. The tax burden that faces the industry due to the GST is well documented. But what is worse is that the government is failing to rule out an increase in the passenger movement charge to pay for the much needed funding boost for the tourist industry.

Someone logical might think that this is a robust defence by the Minister for Tourism, talking about how any increase in the passenger movement charge is ‘ripping off the travelling public’ and how these taxes were ‘used to pad the government’s budget bottom line’. Unfortunately, what I speak of here is nothing but rank hypocrisy by the Labor tourism minister. It is rank hypocrisy, because these comments were from 5 March 2003 and 12 February 2003, comments that the now tourism minister made when he dared to attack the previous coalition government’s track record on tourism.

I am certainly more than willing to stand in this chamber today and make it very clear that, yes, there were occasions in the past when the Howard government did increase the passenger movement charge. But the key and fundamental difference is that the then coalition government supported the tourism industry with real funding increases and provided massive injections of funding for increased marketing, a restructuring of Tourism Australia and a tourism white paper. That was the coalition’s track record. So, if there were increases in the passenger movement charge, it was made sure that that money was channelled straight back to the tourism industry, and that stands in such stark contrast to Labor.

I look forward to hearing the member for Leichhardt dare to defend not only the hypocrisy of the tourism minister but also the utter hypocrisy of the Labor government, which has turned its back on these sentiments and imposed $1 billion of new tourism taxes—$459 million through the passenger charge increase, $300 million through the Tourism Refund Scheme and $179.4 million of new taxes through increased tourism visas. This makes a grand total of $938.7 million of brand-new tourism taxes imposed by the Rudd Labor government and imposed by the Labor tourism minister, who only a matter of years ago dared to question the previous government’s commitment to tourism because we increased these amounts, but we also provided in the tourism white paper additional funding for Tourism Australia.

The fourth limb acknowledges that, in the new spirit of cooperative federalism that we hear so much about from the Labor Party, many state Labor governments have decided to follow the example set by the federal Labor government and are also reducing their support for the tourism industry. As I have said, we have seen $5.9 million axed from Tourism Australia’s budget by the Labor government, but we see across the board, over the period from 2001 to 2008-09, decreases—or I should say slashes—in tourism funding that amount to a cut in South Australia of 46 per cent, a cut in New South Wales of 28 per cent, a cut in the ACT of 10 per cent and a cut in Queensland of nine per cent. That is Labor’s record: slashed support.
for the tourism industry of between nine per cent, in Queensland, and 46 per cent, in South Australia.

So I say to the member for Leichhardt: stop being an apologist for your Rudd government back in Leichhardt. Recognise that your industry is doing it tough and for once have the spine, the backbone, to stand up for those operators in your electorate that are doing it so very tough, as they are across Australia. Recognise that this Rudd Labor government’s record and the Minister for Tourism’s record on their lack of support for tourism deserve to be condemned. Any government that imposes $1 billion of new taxes and slashes funding by $5.9 million deserves to have it very loudly made known to tourism operators that it has not stood by the industry. The government have walked away from the industry. In walking away from the industry they have consigned many people to the unemployment scrapheap.

Mr TURNOUR (Leichhardt) (7.55 pm)—The tourism industry is a very important industry to the Australian economy, not only in our big cities but also in our regional areas. It is great to be here tonight with the member for Forde, who I know is a strong proponent of the tourism industry in his local electorate and his local region, as I am a strong proponent of the tourism industry in my region of tropical North Queensland and the great city of Cairns.

I am not sure which mushroom the shadow minister for tourism has been hiding under in bringing this motion forward, but it is a pretty outrageous motion, particularly considering the current economic climate facing the tourism industry in this country and some of the tough times it has gone through. I know that what the tourism industry thrives on is confidence. What it is looking for from the government—and, one would hope, from the opposition—is some sort of support for the industry in the form of continuing to work with it and developing confidence in it.

To suggest that the Rudd government is doing nothing to support the tourism industry is really a shameful act by the shadow minister, as is bringing this motion here tonight. We only have to look at the actions of the Rudd government to see that in the short term we are working with industry, with the release of our new campaign, through Tourism Australia, built off the Australia movie. I think it is a fantastic campaign. I hear positive feedback about it from the tourism industry in my local area. We are showing through our National Long-Term Tourism Strategy that we are committed to ensuring that we have a long-term plan for the tourism industry in this country. So we are working in the short term as well as in the long term.

We have a national aviation strategy. Aviation is critically important to tourism in this country and we are going to build support for the aviation industry going forward. We are also moving forward on a process of national accreditation to ensure that the industry provides the highest level of service to tourists when they come to this country. The government have also been proactively managing the Approved Destination Status scheme, recently suspending companies from the scheme due to immigration and quality-of-tourism breaches.

The government is also undertaking a range of microeconomic reform to support small businesses, the backbone of the tourism industry. They have been struggling with the skills crisis. They are looking for a government to invest in infrastructure. They are looking for a government that provides some certainty in industrial relations and gets the balance right. We are doing that. We have tackled some of the immigration bottlenecks that built up under the former Howard government and prevented the industry from getting skilled workers. We are dealing with some of the red tape issues in areas like superannuation.
I tell you that in my area tourism is built on natural icons, like it is in many parts of Australia. I see the member for Forde here, who I am sure would agree. People are looking for a government that is going to tackle climate change and take this issue seriously, because it is a real threat to our natural icons and to our tourism industry.

I mentioned the National Long-Term Tourism Strategy. The National Long-Term Tourism Strategy will provide long-term vision for the tourism industry. It will establish the basis for consistent, long-term policy engagement with the tourism industry by successive governments. It is aimed at strengthening the tourism industry supply side capacity and maximising the net economic benefits to industry in Australia. The tourism strategy, like the government, is focused very much on working with the industry. We have taken a bipartisan approach. We have put together the strategy, and I congratulate the minister for it. Margaret Jackson is the chair of the steering committee. Members include people who have supported the opposition, such as Matt Hingerty. We are not taking a partisan approach to tourism. We are looking to work with the industry in partnership to build it into the longer term.

I talked about the Australia campaign that was released recently. This is a fantastic initiative by Tourism Australia. I want to congratulate Geoff Buckley, his board and his team on bringing it together. This ‘come walkabout’ campaign not only builds on the natural icons that we have in this country but also links in with some of the challenges that people find in their busy everyday lives and how they look to go on holidays to seek to find themselves and, in finding themselves, to have more rewarding lives. I think Tourism Australia have done fantastic work. I was at the Tourism Tropical North Queensland awards on Saturday night. They played the advertisement there and it received a huge round of applause. Rob Giason, the local TTNQ CEO, wanted to play it again later. The industry is really looking forward to gaining leverage off this campaign to attract tourists back to Australia.

The member opposite talked about tourism operators and made some disparaging comments about this government, but the feedback I get from operators is very positive—although they have commented on some of the previous campaigns. One of the big operators in my electorate, Mr Charles Woodward, said the former government’s campaign through Tourism Australia, the ‘Where the bloody hell are you’ campaign, was a complete disaster, particularly in markets like Japan. And you might ask: ‘Where the bloody hell has the shadow minister been bringing this sort of motion forward? Where the bloody hell has he been? Hiding under a mushroom?’ Mr Woodward said that it was essential that Australia got back to basics and focused on nature based tourism.

The Australia campaign, through Tourism Australia, not only focuses on those natural icons but also links in with people’s busy lives. The campaign is going to be delivered across Europe and America, and the eastern nations will be promoting and delivering that campaign. The industry is very supportive of it, as I have said. The advertisement on the internet has had some fantastic hits and it was also presented at the recent tourism awards in Cairns.

I can assure you, Madam Deputy Speaker, that coming from an electorate like Leichhardt, where tourism is particularly important to the local economy, I do understand how important it is to have the government supporting the tourism industry. The industry in my local community is worth $2.8 billion. We had 4.2 million visitors who were drawn to the region last year, and there are 7,100 tourism related businesses in my local area. We have some fantastic tourism hubs, whether in my local town of Cairns, or Kuranda, Port Douglas, Cooktown or all
the way up to the Torres Strait. We have some fantastic towns that depend on tourism, and they deliver some fantastic experiences. The region offers an array of experiences to visitors, including outdoor adventures, the outback, culture and heritage and Indigenous culture, as well as food and wine. There is increasing development in agricultural tourism, and of course we have the rainforest and the Great Barrier Reef.

Clearly, tourism is fundamental to Cairns and tropical North Queensland. It is particularly important to me and to the Minister for Tourism. We took a hit this year with the decision by Qantas to cut flights between Japan and Cairns in December. That is going to impact on our local industry. We are going to lose 62 per cent of total flight capacity out of Japan later this year. Estimates are that it is going to cost the industry around $100 million. I met with the Minister for Tourism on the day that that happened, and we discussed the issue. I worked with the local tourism industry through TTNQ, and I congratulate Rob Giason and his team for the work that they have done in working with us and with the Queensland government. We will continue to work with them with our $4 million package to support the industry through these difficult times.

We have already announced $750,000 in marketing support for charter flights from Cairns to Japan and from Japan to Cairns. We want to ensure that the industry is well placed to deal with the cutback later this year. We are putting in place some short-term support for the industry, particularly in terms of marketing and support for charters. We are also working to make sure that the industry is supported into the longer term. We have some work happening and we are working with the industry in developing that with some research and analysis to ensure that we are well placed to take advantage of developing markets, whether they are in Korea, China or India.

The Prime Minister has taken a direct interest in tourism in my electorate, and he was particularly interested in ensuring that we responded appropriately following those Qantas cuts. He rang me from Japan. He took a real interest in how our package was going down in tropical North Queensland. And I know the industry has appreciated not only the minister’s interest—he has been up there twice in the last couple of months to meet with the industry and discuss our package—but also, as I have said, the Prime Minister’s interest. As I said—(Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—Order! The time allotted for this debate has expired.

Kokoda Track Campaign

Debate resumed, on motion by Mrs Moylan:

That the House:
(1) recognises the importance of the Kokoda Track campaign in World War II in stopping the overland Japanese advance to Port Moresby, which would have given the enemy a beachhead into Australia;
(2) acknowledges the courage, endurance, mateship and sacrifice demonstrated by the Australian Defence personnel during the Kokoda battles;
(3) pays tribute to the contribution of Papua New Guinea (PNG) nationals, specifically the Koiari people affectionately known as “Fuzzy Wuzzy Angels” in carrying supplies and equipment for Australian soldiers in the Kokoda campaign as well as the carriage of wounded to safety;
(4) notes that the Kokoda battles were fought in PNG from July 1942 on Australian soil; and
in recognition of this contribution, urges the Australian Government to:

(a) acknowledge the service of the PNG nationals affectionately known as “Fuzzy Wuzzy Angels”;  
(b) direct the new Defence Awards and Honours Tribunal to promptly determine the most appropriate form of medal or recognition for the remaining “Fuzzy Wuzzy Angels” or their surviving families;
(c) consider any other appropriate initiatives including making a small ex-gratia payment to each “Fuzzy Wuzzy Angel”, in recognition of their contribution over and above the call of duty; and
(d) examine, and where appropriate fund initiatives to upgrade the health and education status of the PNG people in the isolated villages along the Kokoda Track.

Mrs MOYLAN (Pearce) (8.05 pm)—During a time when our nation was under attack from the Japanese, Papua New Guinean nationals with their local knowledge came to the assistance of Australian soldiers fighting to protect this country. When Japanese troops landed at the tiny seaside village of Buna on the north-east coast of Papua New Guinea on 21 July 1942, securing Port Moresby was considered the final hurdle for the Japanese before advancing onto Australian soil. Standing in their way was the Australian 39th Militia Battalion in the harsh conditions of the Kokoda Track. Steep ridges plunging to even deeper valleys and mosquito-infested swamps, combined with constant tropical downpours and searing heat and humidity, were just some of the conditions and obstacles faced by the Australian diggers.

In conditions foreign to Australian soldiers, our diggers had the assistance of the PNG nationals, whose local knowledge and bush skills proved invaluable in enabling the diggers to create and maintain a human supply line between the front line deep in the jungle and the base at Port Moresby. Fuzzy wuzzy angels brought food and ammunition in packs usually weighing around 20 kilos or more to the diggers up the track. On their return journey they acted as stretcher-bearers, carrying wounded diggers back to safety. Considering the critical role these PNG nationals played in helping Australia to halt the Japanese advance, it is a disappointment that our nation is yet to formally recognise the significant role of the Koiari people.

In bringing this motion before the House, may I pay tribute to the work of my colleague from that other place, Senator Barnett, who initiated this motion in the Senate to recognize the fuzzy wuzzy angels. Senator Barnett felt compelled to do so after he and a group of 17 trekkers walked the 96-kilometre track during April in honour of the Australian diggers and to raise money for juvenile diabetes research funding. It was during a recent diabetes function celebrating this trek that I was fortunate to be seated alongside Papua New Guinea’s High Commissioner to Australia, Charles W. Lepani. The High Commissioner was deeply touched by the motion.

Fears that such recognition would pave the way for compensation are not a reason to delay recognition of the role the fuzzy wuzzy angels played in assisting the Australian soldiers. Credit should be given where credit is due. To rectify the lack of formal recognition, I join with my colleagues in this place and in the Senate in calling on the Australian government to direct the new Defence Honours and Awards Tribunal to promptly determine the most appropriate form of medal or recognition for the remaining fuzzy wuzzy angels or their surviving families.

Other initiatives also need to be considered in recognition of their contribution over and above the call of duty, including making a small ex gratia payment to each fuzzy wuzzy angel.
and, where appropriate, funding initiatives to upgrade the health and education status of the Papua New Guinean people in villages along the Kokoda Track. The Kokoda campaign was one of the most significant for Australia during World War II. Our nation needs to recognise all those who played a role in protecting our country.

I deeply appreciate the bipartisan support of my colleagues in this motion and I thank all of them for the contribution that they will make to the debate and, once again, I think it is long overdue that we acknowledge the courage, the endurance, the mateship and the sacrifice demonstrated by Australian Defence personnel during the Kokoda battles, but also, importantly, that we recognise those fuzzy wuzzy angels who made the way just that little bit more bearable in conditions that were truly shocking.

Mr SIDEBOTTOM (Braddon) (8.09 pm)—It gives me great pleasure to support the member for Pearce in this very noble motion. I would like to join with her—and I am sure others would too—if the member for Pearce would like to, to write a bipartisan letter to the parliamentary secretary to put before the Defence Honours and Awards Tribunal. I would be more than happy to support her to do that.

The Kokoda Track or Kokoda Trail campaign is infamous for a lot of reasons. First and foremost, it is infamous for the nature of the combat that took place on that stretch of Papua New Guinean soil in July and particularly August 1942. I believe up to 4,000 people lost their lives in that campaign, not to mention the many that were wounded. You only need to look at Damien Parer’s films, particularly Kokoda Frontline, just to try and appreciate for a moment the degree of difficulty of the area and the nature of the warfare that took place there. The trail itself is infamous for its physical nature. Very quickly: the track was approximately 100 miles, or 160 kilometres, long and folded into a series of ridges which rose to 7,000 feet and then declined again to 3,000 feet. It was covered in thick jungle, with short trees and tall trees tangled with vines. From looking at Parer’s pictures, I know it constantly rained and then they would be knee deep or ankle deep in mud. It is a very difficult piece of physical terrain. It is also infamous for the controversy over whether it is a trail or track. I hate to disappoint the trackers, but I think the official Australian War Memorial conclusion is that ‘trail’ appears to be the most widely used. However, most people call it the ‘bloody track’, so that is what we will use.

It is infamous for the courage, heroism and sheer effort of those who campaigned there. It is infamous for the extraordinary story of two groups in particular. The first was the 39th Battalion, which was effectively a militia force and known as the chockos. They were much maligned until Damien Parer’s films came out and showed the extraordinary effort they made as a group of young men, young militias. They basically would have just learned to clean a rifle before they got up there and faced the onslaught of a most hardened, very difficult and very courageous enemy. Then they were reinforced by the 53rd Battalion, 21st AIF Brigade and the 2nd/14th Infantry Battalion.

The other group—and this is important for the motion that the member for Pearce so eloquently put—was an equally remarkable group of Papua New Guinean people affectionately dubbed the ‘fuzzy wuzzy angels’. Again, in seeing Damien Parer’s film—and I recommend it to anyone who is interested in this area, and we should be—you really do appreciate what they did. He filmed on site and he lived the same life as the soldiers and the fuzzy wuzzy angels. The film illustrates quite clearly that for 40 wounded they used groups of eight bearers.
There were four carriers and four resting—if you could call it resting—and then they took over. The persons carried were literally carried by groups of eight. You had 350 natives, fuzzy wuzzy angels, supporting the wounded as stretcher bearers. They carried heaps of equipment. They carried messages. They appeared to never complain and to be ever careful. I think this is demonstrated most poignantly—for those who would like to have a look at it—in the *Fuzzy Wuzzy Angels* poem by Sapper ‘Bert’ Beros, who wrote in on the trail in 1942. It gives a great demonstration. What is terrific about it, too, is the mother’s reply, saying thank you to them all.

We have had ample description by people who witnessed firsthand what the fuzzy wuzzy angels did. There is plenty of literature to show you that. The most important thing is that, like the Nashos in the past and a pet of mine, Teddy Sheean—but unlike Teddy in this sense—they have not been recognised formally. It is quite extraordinary that all those to a person who participated in the campaigns said, ‘We want to recognise them; we should recognise them.’ The motion of the member for Pearce does that directly. I would like to write, with her and others here, to the parliamentary secretary, a letter to be put before the awards tribunal to ask that the fuzzy wuzzy angels get what they duly deserve—that is, our true recognition. *(Time expired)*

**Mr SIMPKINS* (Cowan) *(8.14 pm)*—I wish to support the motion moved by the member for Pearce. There are many people who say that foreign forces have never invaded Australia. They would say that, when you look at all the armed conflicts we have been involved in, Australians have always fought battles away from our own territory. This is very much a post-1970s view. We should of course remember that in World War II the Japanese did in fact invade Australian territory. Most Australians may not recall that, apart from Japanese air raids which decimated parts of Darwin and northern Western Australia, as well as the sinking of HMAS *Kuttabul* by midget subs in Sydney, Japanese forces did actually invade Australian sovereign territory during 1942. I am of course referring to what is now known as Papua New Guinea, which was then the Australian protectorate of Papua.

One of the most critical campaigns that Australians were involved in during World War II was the Kokoda Trail, in the Owen Stanley Ranges. Stretching for over a hundred kilometres in some of the most rugged and inhospitable terrain in the world, it is traversable only by foot. This proved to be a logistical nightmare for the movement of ammunition and medical and other supplies for Australian soldiers who fought to prevent the Japanese from establishing a base at Port Moresby. The Kokoda and subsequent campaigns in New Guinea were pivotal events in our history as they represented the first time that Australian territory had actually been threatened directly by an enemy during an armed conflict. These battles formed part of the battle for Australia, fought primarily in the South Pacific. It was also the first time Australians had fought and defeated an invader on Australian soil without the direct assistance of the United Kingdom. The Kokoda campaign further complemented Australia’s emergence as a nation in its own right, as well as its military effectiveness.

With an overwhelming superiority in numbers, with 30,000-strong mostly Australian forces, they suffered approximately only 625 casualties as opposed to Japanese losses of around 6,500. Courage, mateship and sacrifice are all examples of the qualities that are part of the Anzac legend first mythologised by Charles Edward Bean during the First World War. It could also be argued, however, that these terms can also apply to the ‘fuzzy wuzzy angels’, especially the Koiari people, who carried supplies and equipment for Australian soldiers.
They were often called ‘as gentle as a bush nurse’, and it is believed that not one known in-
jured digger was ever abandoned by a fuzzy wuzzy angel.

Without the assistance of the fuzzy wuzzy angels and their invaluable knowledge of local terrain, it is questionable whether Australian forces would have been able to prevent the con-
tinued onslaught of the Japanese. Unaware of local conditions, the orders given by senior Australian commanders were largely unrealistic and impossible to implement. Armed with local knowledge, however, Australian diggers were far better equipped to defeat Japanese forces than they would otherwise have been.

One of the most iconic photographs of Australian involvement in World War II is that of the significantly wounded Australian soldier Dick Whittington being led to safety by fuzzy wuzzy angel Raphael Oimbari. The fact that this photo has been so widely—

A division having been called in the House of Representatives—

Sitting suspended from 8.18 pm to 8.34 pm

The DEPUTY SPEAKER (Ms AE Burke)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

GRIEVANCE DEBATE

Debate resumed from 22 September.

The DEPUTY SPEAKER (Ms AE Burke)—The question is:

That grievances be noted.

Economy

Mrs MARKUS (Greenway) (8.34 pm)—I rise to draw the attention of the chamber to what is happening to local business across the nation. The global economic crisis is having an impact, but the bigger impact is a crisis of confidence driven by this Labor government’s re-
sponse to that global economic crisis. When the Labor government came to power, the first thing they did was to talk down the economy and talk up inflation. ‘The inflation genie is out of the bottle’ is what was said. Now that the crisis is upon us, Mr Rudd is siding with the banks and not pressuring them to pass on the benefits of the interest rate cuts. Whose side are you on? Certainly not on the side of small business, not on the side of families who had plans to retire, not on the side of pensioners who expect an increase in your next budget—and now you are saying that an increase may have to be put off until much later.

Last Friday I held a local business roundtable in my electorate of Greenway and I was hon-
oured to have the Hon. Julie Bishop, shadow Treasurer, as my guest to listen to local business owners small, medium and large offer their account of the impact of the Labor government’s imprudent choice of language at this very worrying time. With one voice, this mix of account-
ants, hospitality leaders, real estate agents, nursery and landscape suppliers, franchisees and customised craftsman-built producers agreed that the Prime Minister, instead of building business confidence and encouraging people to hang in there, was instilling fear and uncer-
tainty. All report an increase in bad debts and a decrease in sales. Conferences and meetings are being cancelled. The feedback is that people are panicky: they have stopped or reduced their spending and they have stopped or reduced their vacations or holidays. More impor-
tantly, they do not believe that the recent one per cent drop in interest rates will make any dif-
ference in the immediate term. So they are battening down the hatches, making cutbacks in household spending. People who were thinking of retiring are putting it off and holding on to their jobs while that job is still there. For the first time since the 1970s very successful shopping centres have vacant shops. We are seeing an increase in interest for self-managing personal super as people do not want to lose what they have and believe they can take control of their own funds better by themselves. There has also been a shift from tourism into groceries as people prioritise their spending. Businesses report that sales of big-ticket items have slowed and sales of lipstick, champagne and chocolate are increasing—a sure sign that ordinary people are anxious.

What Australian business needs right now is strong leadership and a vision business can believe in. But what do they get? A Prime Minister and a Treasurer who are devoid of ideas and comprehension about what is needed at this time. Thanks to the competent economic performance of the coalition when in government, Australia has been left with an economy that had no government debt and a huge surplus. It is an inconvenient truth for the Rudd Labor government that the coalition has a proven record of sound financial management. The Rudd Labor government has yet to prove itself. To date its record is showing signs of failure—failure to properly and strongly reassure this nation that, because of Australia’s strong economic position, the legacy of the coalition, we have the best chance of any country in the world of riding out this economic storm. There is failure to stand up to the unions, who have become very active since Labor came to government. There has been an 800 per cent increase in strikes this year compared to the same period last year. There is failure to stay home when this government needs its Prime Minister: 16 overseas trips since November and a trip by Mr Swan, the Treasurer, to watch what was happening with the New York Stock Exchange.

The coalition has not been sitting and watching; the coalition has been listening to the public. We have heard the concerns out there in the community and recently the coalition leader and the shadow Treasurer gave Mr Rudd a lesson in leadership. The coalition called on the government to take action immediately to increase the guarantee on deposits with banks, building societies and credit unions from $20,000 to $100,000; to put not $4 billion into the home lending market but $10 billion to make a real difference in stimulating that market; and to abandon the 2010 start date for the emissions trading scheme. Businesses are distracted by the necessity of the 2010 deadline. They should be concentrating on managing their business while the economic crisis looms large.

The test of leadership will be how the Prime Minister responds to the coalition’s call to stimulate the home lending market and to postpone the emissions trading scheme. Make no mistake: Australia’s banking industry is very strong, but business has had enough. They tell me they have lost confidence in Mr Rudd and Mr Swan to come up with the right responses. They tell me that the fear, uncertainty and doubt being put out there by the government are the most obvious sign of what the future holds under Labor.

Business will cope with this crisis. They will adapt and change—and they are already—diversify, cut back and find niche markets. Many will not just survive but will grow. The business people who met with me are ordinary Australians who have worked hard to build up their businesses. They are people who have families. They tell me that the damage being done through the crisis of confidence is being manifested in a number of ways: ordinary Australians, working families, have started migration to the country to cheaper housing; singles and
couples have started to move back home with their parents; and financially astute people are paying off credit cards and other debts, even though, as has been reported, that payment is as minimal as $20 a week.

The Treasurer says that Australians should expect higher unemployment as the economy slows down. A strong leader would be looking at job creation but, to date, there has been no leadership in that respect. In fact, the opposite is happening. The government is scrapping Work for the Dole, a very successful scheme that helped the unemployed into jobs. The coalition worked very hard to develop an environment where business had confidence to employ people, and we saw unemployment fall to a record 30-year low. Under Labor, where will we be this time next year? Businesses face a tough time during the current global economic crisis, and they need to be encouraged and given confidence to move forward. The Rudd government had an opportunity to show leadership by pressuring the banks to pass on all the one per cent increase interest rate cut but, instead, it sided with the banks. The coalition called on the banks to pass on the full interest rate cut. We are seeing every day that the people who need relief are small businesses and mortgage holders. Uncertainty is having a big impact and no new jobs will be created. In fact, jobs are being put at risk, but it does not have to be that way.

I return to my opening statement: the global economic crisis is having an impact, but the bigger impact is a crisis of confidence driven by poor leadership and a lack of ideas and a proper understanding of what is happening with small business in this nation.

Peacekeeping Memorials

Mr RAGUSE (Forde) (8.42 pm)—Tonight I want to speak a little about a concern that I have. I am probably not so much aggrieved by specifics other than my concern and frustration for the memory of veterans in our community. As you know, on many occasions I have spoken in this chamber and the other chamber about our veterans and about the areas of huge significance in my region. Tonight I want to talk about the motion by the member for Pearce, who spoke about the Kokoda Trail, the commemoration and how we recognise and remember in history the achievements and the sacrifices that our military people have made.

Tonight, I bring the attention of the House to the area of peacekeeping. The functions of peacekeeping and peacemaking are very important to our military, and a long history is associated with peacekeeping. My frustration is that, like the Kokoda memorials and like our quickly vanishing history, the living history of our veterans disappears year by year. If we do not capture and understand our past—in this case, the military and our veterans—we will lose the history in time.

It was very interesting for me to have hosted very recently our Parliamentary Secretary for Defence Support, Dr Mike Kelly, a man who has had a much esteemed military career. I brought him into the region to show him what is currently the only peacekeeping memorial in the country, and it sits in the seat of Forde, very close to other areas of significance that I have spoken about in previous times. As you know, I have sung the praises of Canungra, a well-known military installation within the electorate of Forde, and not so very far up the road we have the memorial to the peacekeepers and the peacemakers.

I would like to draw the attention of the House to the dedication of Australia’s peacekeepers. We must recognise their dedication and commitment and recognise our military history. Australian Peacekeepers Day was held on 14 September 2008. This year marks some 61 years
since Australian peacekeeping operations began. Many may not be aware that Australian peacekeepers have served in more than 26 areas of operations since the Second World War and more recently in the Middle East, East Timor and the Solomon Islands. In fact, about 2,000 Australian Defence Force personnel are presently deployed on more than 10 operations around the world. A number of defence personnel are also deployed on exchange, third-country deployments and special tasks, such as support to border protection operations. Some of those peacekeeping missions have been Operation Catalyst, Operation Slipper, Operation Paladin in the Middle East, Operation Citadel in East Timor, Operation Anode in the Solomons, Operation Osier in Bosnia, Operation Mazurka in the Sinai, Operation Pultale in Afghanistan and Operation Pomelo in Eritrea and Ethiopia.

I would particularly like to bring attention to a certain constituent in my electorate who has been working very hard to ensure that we remember and pay tribute to those peacekeeping missions that many of our Australian personnel have been involved in. At this stage I would like to acknowledge Bob Whiley, an ex-serviceman in my electorate who is very passionate about ensuring that peacekeeping is acknowledged in a memorial. Bob’s passion started when his son was deployed on a peacekeeping mission in East Timor. It is fitting that there is a memorial to remind the community of those brave men and women who served in peacekeeping missions. Bob is a member of the south Queensland branch of the Australian Peacekeepers and Peacemakers Veterans Association. The only memorial currently in the country—until, as I mentioned before, a national memorial is established next year—is located in my electorate, in Carl Heck Boulevard in Windaroo. It is the only peacekeeping memorial in the country. This government has committed to establishing a national memorial in Canberra.

Just over a week ago, the member for Eden-Monaro and Parliamentary Secretary for Defence Support, Mike Kelly, visited the peacekeepers memorial. Mike was certainly impressed with the hard work and effort that Bob Whiley put in towards the establishment of this memorial back in 2000 and his ongoing enthusiasm to support and commemorate veterans. It was significant and fitting that Mike Kelly was able to name the peacekeeping missions that he himself had been involved in—and there were some four or five that he recognised on the plaque. I know that he was impressed by the fact that we have established this memorial. We probably need to consider how we can do this across the country.

There are peacekeepers who have made the ultimate sacrifice, and we should continue to be reminded of their service. Peacekeeping is an often forgotten aspect of war. It is planned that on 14 September 2009, next year, there will be a national memorial unveiled in Canberra—all things being equal and taking into account some of the fundraising that has to occur—to honour all those who have served and those who continue to serve in peacekeeping operations. The proposed memorial will include those from the Australian Defence Force; from federal, state and territory police forces; and from government agencies who have served and made the ultimate sacrifice in peacekeeping operations commanded or authorised by the United Nations or sanctioned by the government of Australia. The memorial will commemorate and recognise the courage and sacrifice of Australian peacekeepers in the same spirit as other conflicts that are remembered by other cenotaphs. It will also celebrate Australia’s contribution to international peacekeeping since Australia’s commitment to the first UN peacekeeping mission on 14 September 1947.
I am pleased to note that one of the donors to this project is RSL Queensland. I implore all organisations that have some understanding of the work of the peacekeepers, through their veterans organisations, to support the establishment of other peacekeeping memorials. I would also like to acknowledge the Australian Peacekeepers and Peacemakers Veterans Association. I look forward to working with Bob Whiley and the Australian Peacekeepers and Peacemakers Veterans Association and to helping them in their journey to get some of these memorials recognised.

We also need to ensure that our military memorials are maintained and woven into the fabric of our local history. I have spoken on a number of occasions in this House about areas of significance in my electorate. I have talked about Canungra and there is also Tabragalba, where the Z force trained during the Second World War. Commandos trained in that region. These areas are disappearing very quickly without any recognition, and for me it is about trying to establish that these are precincts in the electorate of Forde but probably, spearheaded by the notion of our future engagements, it will be more about peacekeeping and peacemaking. I think it fits very well and I am pleased that today I can bring attention to this particular issue. At Camp Cable, 20,000 American troops who were stationed there during the war were mobilised for the Battle of the Coral Sea. We heard speeches this evening about Kokoda and what occurred on our doorstep. Most people know that areas in the north of Western Australia were under attack and so was Townsville. Townsville was considered a front line one month before the Battle of the Coral Sea raged out in the Pacific. The mainland of Australia was actually bombed and Townsville was one of the targets.

I would like to sum up by saying that, while I have identified my region as a significant military precinct, General MacArthur drew the so-called ‘Brisbane line’ from where Australia was going to be defended. If we were attacked we were going to ultimately defend from Brisbane, because the logistics would allow us to mount a great defence and wear out the logistics and the supply lines of the invading Japanese.

This history is very significant for our region for all the reasons that I have given tonight, particularly in light of my concern about getting recognition for the peacekeepers and ensuring that the national memorial goes ahead. We should continue to raise funds to provide a very fitting memorial for those people who have served in the capacity of peacekeeping and peacemaking. It is a very important part of our military role in this day and age. To be part of a combat force in another country is not necessarily the way we need to go. It is about peace-making, peacekeeping and the dedication to that. In closing, I would like to say that I am going to continue to push this. Hopefully, on 14 September 2009 we will be able to unveil that national memorial. People like Bob Whiley in my electorate are working very hard, and I will be supporting them to ensure that we do not forget the courageous contribution that the peacekeepers and peacemakers of this country have made.

**Apprenticeships**

**Identity Fraud**

Ms LEY (Farrer) (8.52 pm)—Tonight during the grievance debate I would like to talk about two issues. One is relevant to my electorate of Farrer, and that concerns apprentices and apprenticeships. The other is related to my role as spokesperson for justice and customs within the opposition and is relevant to everybody in this place, and that concerns identity fraud. Identity fraud is something that we need to be particularly well aware of this week, be-
cause 13-17 October is National Identity Fraud Awareness Week. I would like to give members some sense of what this means when it happens to an individual, how easy it is to have your identity stolen and what you should do to make sure that it does not happen.

Identity fraud occurs when a person’s personal information is used, without their knowledge, by someone else to obtain credit, goods or other services fraudulently. Victims of identity theft bear significant financial and emotional costs in regaining their identity and credit ratings, and the Rudd Labor government really does need to work to improve identity security, to fight identity crime and to protect the identities of innocent Australians from being used for illegal purposes.

One of the most common ways in which one’s identity can be stolen is quite obvious, and that is raiding bins for information found on bank and credit card statements. It is amazing how many people throw these statements out with their ordinary rubbish and then they end up at the tip, or somebody simply lifts the lid of the bin and helps themselves. Internet sites regularly ask users to share personal information to gain access to websites and to buy goods. Fraudsters can combine the personal information—such as your mother’s maiden name—that you provide to unsecured internet sites with other bits of valuable information that they find out about you to obtain credit in your name. Card skimming occurs when a shop assistant or waiter, for example, gets your information by skimming or copying your credit card information when you make a purchase. This information is then often onsold to professional criminal organisations. If you leave your credit or debit card at a restaurant or retail outlet, do not ring them and say, ‘Yes, it is there,’ and go back and pick it up, because during that time any amount of fraud can be conducted in your name.

Mail forwarding is another method. By completing change-of-address forms to redirect mail, fraudsters can receive a wealth of information about you delivered to their nominated address or post office box. ‘Phishing’ is a term that describes identity theft via email. Fraudsters will send an email claiming to be from a bank or other official organisation and ask for urgent information whereby you have to enter account details and passwords to update your account. I am sure we have all received those, and some of them look incredibly realistic. For example, I applied for a debit card recently in order to get out of the credit card rate race. Immediately, my inbox was flooded with very realistic emails from the bank asking that I update my information and provide seemingly innocent information. I know that many people do fall into this trap.

Another obvious case of having your identity stolen is when your purse or wallet is stolen. When something is stolen, it is tedious, time consuming and difficult to go through all of the things that you need to do to re-establish cards, bank accounts and Medicare et cetera, but you need to do that and you need to be very vigilant from that point onwards if you believe that you have had some part of your identity stolen.

To actively prevent identity fraud, people need to check their credit reports at credit reference agencies to ensure that no credit or other accounts have been illegally set up in their name. They can do this with three main agencies in Australia—Baycorp Advantage, Dun and Bradstreet and the Tasmanian Collection Service. They need to shred all documents to ensure that fraudsters cannot build up a profile based on the information they discard in their rubbish, stay safe online by making sure they have the latest security patches and up-to-date antivirus software installed, protect their incoming mail, lock their mailbox, pay attention to billing.
cycles and contact creditors immediately if their bills arrive late—as a missing bill could mean that a fraudster has taken over their account. Passwords help to provide extra protection to important accounts. We noted the high-profile case of hacking when US Republican vice-presidential candidate Sarah Palin had her email hacked into. It was a relatively easy process, I understand. People should use passwords that are very difficult for others to figure out, even if they may forget them themselves. They should be vigilant and aware of anybody who contacts them unexpectedly asking for personal information. A couple of quick examples will highlight the problem.

In 1997 a 24-year-old female applied for 61 credit cards in false names; 45 were granted. Some of these identities were fictitious but many of them were real, including those of some people known to her from her school days. This resulted in the destruction of access to credit for many, one of whom also suffered the additional indignity of being named by the applicant as her co-offender and mentor in the frauds. In another case, a male assumed the identities of four babies who had died in the 1970s by obtaining their birth certificates. Over an eight-month period he obtained $20,800 in the form of unemployment benefits in the dead infants’ names. He was arrested in possession of many false proof-of-ID documents to support his welfare claims, including motor vehicle learners permits, mobile phone accounts, student cards, rental leases and bank account access cards. So please do not let this happen to you.

Increasingly, the world of modern innovative telecommunications intersects with transnational global crime. High-tech affects us all every day and it is very useful and handy to have access to these sorts of tools. Yet the ability to commit fraud is increasing. There need to be some very serious proactive measures by governments, because the tools that fraudsters are using are often barely even thought of. For example, on an ordinary website that I check every day, I noticed an advertisement today for sending money to various banks in India. All you need is your cell phone. In the old days we used to hear of money being wired across the world and that was a big deal. But this is something that is morphing. A few details are entered into a computer and something comes up on your cell phone, which you then take to a financial institution, and it is turned into money. The other side of this, of course, is the way in which money is laundered around the world. This has devastating effects and is linked with organised crime. National Identity Fraud Awareness Week is this week.

In the time remaining, I want to talk about the importance of apprenticeships to all Australian families and my concerns about apprentices in my electorate at the moment. A major concern we have is the lack of staff to supervise and train apprentices. I say that because at the moment, with the possibility—in fact, some would say the inevitability—of the economy turning downwards, the willingness of employers to invest in apprentices is likely to back off. We need small and larger businesses, but particularly small businesses, to take that time to supervise, train and invest in apprentices. But too often we find that when the job market does take a turn for the worse, first-year apprentices are the first to go because they are of the least value to the company. That is devastating for the young people involved because they have, in many cases, worked hard to get themselves on this first rung of their working life. The money is not good. They have probably given up a lot to be there. It is so important that in times of increasing unemployment special measures need to be put in place to protect apprentices. I have certainly argued for this in the context of the town of Broken Hill in my electorate of Farrer, which recently lost over 400 workers from the Perilya mine, mainly due to the down-
turn in the price of zinc. Caught up in this are the apprentices who work in the mine, and it is most important that if the mine is not able to give them a job then some program be introduced into the local community to help the other employers support these apprentices in the short term until they can get back into employment in their chosen field so that we do not lose them.

I certainly noticed during my time as the member for Farrer that the previous government invested a lot in apprenticeships. It established Australian technical colleges that were hitting the ground running. We now have this government’s trade training schools. I do not think they are going to do the job nearly as well. A key focus of the previous government’s tech colleges was their industry focus and their endorsement by industry, and this is the key for any apprentice or trades training effort—that is, that it be very closely linked to the activities in the region so that the link between industry, the training provider and the apprentice works well and the results are positive for everyone. As Andrew Pressler from West State Training in Broken Hill said recently:

Apprentices need to learn the balance of work placement and TAFE classes. The final year is all on-site training and they need that time to settle in.

(Time expired)

Mental Health Week

Ms CAMPBELL (Bass) (9.02 pm)—Last week I was afforded the honour of opening Participate 08, a health and wellbeing expo in Launceston which was part of Mental Health Week. The expo focused on mental health promotion, education, prevention and early intervention. It was a great opportunity to educate the community about mental health. It was also a great way to encourage communities to actively participate in their own mental health and wellbeing. In the lead-up to the event and in researching exactly what Participate 08 was all about, I had to stop and reflect on the impact of mental illness on people, their families and the wider community. It will come as no surprise to you, Madam Deputy Chair Saffin, to learn that mental illness is on the increase in our community. In my electorate of Bass and in my home state of Tasmania it is becoming more prevalent among children and adolescents as well as older people. This indicates that more and more young people are suffering from ailments like depression and autism, but also it is indicative of Tasmania’s ageing population.

Exactly what do we understand by the term ‘mental illness’? There are many things which fall under this very broad umbrella. Perhaps the most common mental illness is depression. According to the World Health Organisation, depression will be the second largest killer after heart disease by 2020 and studies show that depression is a contributory factor to fatal coronary disease. Thirty per cent of women are depressed. Men’s depression rate was assumed to be half that of women, but new estimates have it higher. Forty-one per cent of depressed women are too embarrassed to seek help, 54 per cent of people believe depression is a personal weakness and 80 per cent of depressed people are not currently having any treatment at all.

If these statistics indicate anything, it is the importance of talking about these issues openly and honestly. If someone has cancer, we talk about it. If someone breaks a leg or an arm, we talk about it. I hope that through events like the health and wellbeing expo and annual events like Mental Health Week we can break down barriers and do away with the stigma all too often associated with mental illness because, let us be honest, it affects a whole lot of people.
Who of us does not know someone who at some point in their life has been affected by mental illness? I am sure many of us in this House have at some point suffered with mental illness. It should not be embarrassing, it should not be a point of shame and yet all too often it is.

One man whom I spoke with last week is an example to us all, whether we suffer from or know someone with a mental illness or not. Brian Siptorh has bipolar and obsessive compulsive disorder, or, as he likes to refer to it, a blessing. What makes Brian such an inspiration and worthy of mention is the candour with which he discusses his illness and the steps he takes each and every day to live his life. Brian speaks with passion about taking control of his illness, recognising the impact it has on his life and using it to assist, rather than hinder, how he functions. He is actively involved in what is known as the Pathways program, a wonderful initiative run through Anglicare in Tasmania, which Brian says gives him a place to be involved. To Brian, being involved means activities like bowling, music afternoons, dishwashing, cleaning, walking—scheduled activities which get him out of the house four days a week.

This is an example of the system working and of the impact of one of the countless organisations which exist to support people with mental illness, and these services are being called upon more and more.

In Tasmania, the state Department of Health and Human Services set up a mental health helpline two years ago. In that time, the referral and assessment service has compiled a database of more than 13,250. It receives more than 80 calls a day on average, which equates to around 100 new consumers each month who are referred on to a range of services. Those who run the hotline, whilst already under pressure from a rising workload, fear they are seeing just a fraction of those who could be assisted. In fact, they estimate they are in contact with only around four per cent of those people in Tasmania who suffer with mental illness. Having said that, that is quite an improvement on the estimated one per cent of a few short years ago.

The Rudd government’s commitment to mental health is absolutely evident. We are committed to working with the state and territory governments to reinvigorate the national mental health reform agenda. On top of significant funding for mental health through the MBS and PBS, funding for mental health specific programs will nearly double over the next four years, compared to the previous four years. That means $783 million over four years, compared with $411 million in the previous four years. We have also established a National Advisory Council on Mental Health, which will provide independent expert advice to government on a range of issues.

There is always more to do, but to the organisers of the health and wellbeing expo in Launceston, I say congratulations and reaffirm my ongoing and full support.

Mallee Electorate: Drought

Mr FORREST (Mallee) (9.08 pm)—The grievance debate provides an opportunity for a member of the House of Representatives to advise the House of the state of their division. Grievance debate is an appropriate name because there is a great deal of grief in the federal division of Mallee, all of it to do with the lack of rainfall, either within the region itself or in the upper catchments of the rivers that supply the region with water. There are three distinctive regions of Mallee. In the south there are the Wimmera and Western districts, which predominantly produce grain and livestock. They centre around agriculture and primary production, which is the business activity of the whole region. There is also some horticulture, centred around wildflowers and olives. Further north of that is the dryland Mallee region, which
predominantly produces grain, with some livestock. Then there is the Murray Valley, all the way from Leitchville in the east to the South Australian border, passing great cities like Swan Hill and Mildura. All of those regions have been drought declared and in exceptional circumstances for three years, now going on four years.

There has been bitter disappointment after autumn starting rains undermined confidence in the grain-growing areas. You have to admire the resilient, determined primary producers of Mallee. They went out and borrowed yet again from their banks to have another go, after their sixth year of depressed returns. Sadly, we did not see in winter the finishing rainfall so badly needed nor have we seen it in spring. In fact, extreme hot weather, with temperatures nudging 30 degrees Celsius, has just destroyed the hopes and aspirations of those in the dry land grain-growing regions. They are beside themselves with anxiety and worry.

Added to that is this. Along the northern boundary, which follows the state boundary, the Murray River, is the Murray Valley region. It produces dairy in the east and a whole variety of horticulture all the way to the South Australian border. I will focus on the prognosis for horticulture. The conditions that the determined and resilient people of Mallee are confronted with now are appalling. Currently in Victoria high-reliability irrigators, who are principally horticulturalists, have only 13 per cent of their water entitlement—and this is following last year, when they barely received half of their water entitlement. This is an entitlement they pay for and yet, because of the dire circumstances of run-off in the upper catchments in those dams that supply the valuable water of the Murray-Darling Basin, they are currently on only 13 per cent. They do not have the financial resources to compete yet again, as they did last year, in the water markets to buy precious water this summer. The weather in the Murray Valley this week has been hot and windy. There have been terrible, hot spring days. Yesterday it was 31 degrees. This increases the demand for plant moisture at a time of the year when early season moisture stress can adversely impact on the final crop yields.

Already, due to the river drought, close to 30 per cent of citrus crops and vineyards in fine soldier settlement districts like Merbein, Red Cliffs and Mildura have been left to die. You can imagine the impact that has on the surrounding communities, on all the added businesses. They are living in uncertain times. It is going to take millions of dollars when the drought finally ends to restore all those plantings. These blocks are showing that the water has been turned off. Some families made that decision as far back as 18 months ago and are watching their vines and citrus trees die before them. SunRISE21 is an economic development program we have had in the region for many years now. It has been funded by federal and state governments over the years. It is currently trying to get another project up to get a better measurement of this anecdotal information, but blind Freddy could see from just driving around the region the impact that water shortages are having. The ongoing economic inactivity that will affect the small businesses of the district is starting to come through in, if you like, a tsunami.

The crazy part about all this is that across the border in New South Wales, in the member for Farrer’s constituency, high security Murray irrigators now have 80 per cent of their water entitlement. This is because New South Wales has a different classification for water from Victoria. There is less water for high security and there are fewer irrigators in New South Wales, but an enormous explanation is needed for those irrigators on the Victorian side who
look across at the orchards and vineyards of their compatriots in another state who are getting a much larger allocation of their water.

In addition to this, the net result for Victorian horticulturalists on 13 per cent is that they will be competing in the water market against the federal government for the purchase of water. The government’s priority seems to be to purchase water for environmental purposes. For the life of me I struggle to understand how they can put the economic and emotional wellbeing of people that produce food and fibre after the needs of the environment. Of course the environment is important—it is vitally important—but we are talking about human beings and their need to be involved in economic activity, to the benefit of the nation and to the benefit of the regions they come from.

The South Australian government has promised to spend $67 million to buy water for its own high security water irrigators. That is a bold step, and it is just a tragedy that Victoria does not follow suit and back important wealth creators, particularly people who produce food. Murray Valley commodity leaders in the wine, table grapes, dried vine fruits and citrus industries advise me that the lack of appropriate allocation to Victorian irrigators leaves their harvest planning absolutely in tatters. The growers do not know how much they will get for their grapes and other products—if they produce a crop, that is. Because they do not have price, they cannot budget accurately or convince lenders for a loan in order to purchase water to keep those crops growing. The end result is that many fixed planting irrigators are simply trying as best they can to keep their vines and trees alive and have long since given up trying to produce a crop.

When you think about the size and importance of these commodities, the production of wine grapes in the Murray-Darling and Swan Hill regions of the Murray Valley the last vintage was 365,000 tonnes, with a value of $203 million. Many growers had to spend $200 a tonne buying water to get their crop for a return of between $300 and $450. The margin is just not there; they are simply keeping their fixed plantings alive. In citrus, 2007-08 production was 132,505 tonnes, of which more than half was exported, particularly to the United States. In the current season, 2008-09, the prognosis is that the crop will fall to 116,000 tonnes. All of this is due to the lack of water, because without water you cannot produce that beautiful, juicy orange. Dried vine fruit had an absolute shocker last harvest with only 11,300 tonnes produced. In 1998 it was 43,000 tonnes. We are talking about an industry that in its heyday produced 200,000 tonnes of dried vine fruit, all for the export market. The story for table grapes is no better. So there is enormous uncertainty out there.

It is a bitter disappointment that the government’s response to this has been to manage the transition of people like these wealth creators to exit their properties, offering a $150,000 exit grant, which was announced on 20 September, and that the government would buy the water. This is hardly a solution, certainly not a long-term one, to ensure that important, viable communities continue to create wealth. There are currently 940 horticulturists out of 1,400, just in the Sunraysia region associated with Mildura, who are now seeking help from financial rural counsellors. I just hope that the federal Minister for Agriculture, Fisheries and Forestry takes heed of my remarks and does not undo the assistance that has been provided with valuable EC support— (Time expired)
This evening I would like to talk about an issue which I have been involved with now for some time. Earlier this year I met two people at a party in the Northern Territory—Christine and Lee Rush. During the course of the evening I discovered that they are the parents of Scott Rush. Scott is one of the Bali Nine currently on death row in Kerobokan Prison in Indonesia. What transpired that evening was a significant story as it unfolded. Lee Rush, about my age, who obviously loves his kids, was very worried about his son. He thought his son was mixing with the wrong crowd and certainly had grave reservations about the people he was associating with. He suspected his son was involved with drugs.

Lee told me that evening that he knew his son would probably never speak to him again but that he was determined to do something about it so that this would not be his son’s future. What he did was to go to the police. He told the police what he suspected his son was involved in, with whom his son was associating, where his son was going, his exit time to Bali and when he was returning, and therein started an Australian police operation. Lee and Christine Rush said to my wife, Bernadette, and me, ‘We didn’t think at that juncture we were signing our son’s death warrant.’ Their son was apprehended in Bali, and he was tried and convicted. He was initially sentenced by the court to life imprisonment, which is obviously a substantial penalty in itself. However, he appealed to the District Court. The District Court confirmed his sentence of life imprisonment. He further appealed to the Supreme Court. When he appealed to the Supreme Court he was one of a number of applicants, one of three drug mules. Whilst they were all tried by the one court, they were sentenced by separate sentencing panels. Without the police or the prosecution seeking to have his sentence increased, his sentencing panel came to the decision to increase his sentence from life imprisonment to execution. Two paragraphs of that decision took this young man’s life. The sentencing panel does not record in its judgement any comparison with anyone who was arrested on the very same day or for the same crime. The others who appealed under the same circumstances as Scott Rush had their sentences of life imprisonment maintained. Presently, Scott Rush is the only drug mule in the death tower at Kerobokan Prison. Notwithstanding that, presently two other Australians involved with the Bali nine are also in the death tower.

I have been talking about this for some time—as a father, quite frankly—and I think we should have a view on this. We are one of only 130 nations that have an abolitionist approach to the death penalty. In modern society, I really think we have adequate means for punishing people for their crimes and an ability to actually rehabilitate people in the process. That is why I decided to take a stand on this. What father has not had concerns about the people his kids are associating with? What father—or what parent—would not go out of their way to do something to ameliorate the situation in the hope of giving their kids a better future? Here is a father who tried to do that and, as Lee Rush says, in the process he signed his son’s death warrant.

Today I received a letter that was written on 10 October. I would like to read this letter. It is addressed to me from Kerobokan Prison and says:

Dear Mr Hayes

Today is World Day against the Death Penalty. I’m not sure what is happening outside but it’s just another day inside the death Tower.
I’ve been kept informed of your Motion in The House of Representatives which I understand is supported by many other Australian Parliamentarians. I’d like to thank you and your colleagues for caring and taking a principle position in relation to the death penalty. All of us in the Death Tower are following your motion with keen interest.

Efforts by people like yourself and Mr Ruddock and Mr Dreyfus help give us hope that we can have a future. I don’t want to be in any way political but from a practical point of view of someone inside on Death Row it makes practical and good sense to have a consistent position of opposing the death penalty without discrimination.

If the Opposition is just (for) us Australian citizens it makes us stick out, like sore thumbs, amongst all the other nationals who have also got the death penalty. I say this because I share my cell with a Nigerian, Emmanuel, who’s dignity and kindness helps comfort us on our many dark nights.

So taking consistent stand for everyone on the death penalty that helps us here on the inside of the wall. On this day I want to repeat something I’ve said before. I AM really sorry for the crime I have committed. I really do want the chance to show I’m capable of reform and that I will be completely reformed. I want the chance to give back to the communities that I have offended. I could be a very unusual ambassador against the cancer of drugs in Australia and Indonesia today.

I’m writing underneath a sign that says in Indonesian “Don’t even try drugs” and, it’s right! That’s the message I’d like to get across to other people who like me didn’t understand.

Finally I hope your colleagues in Parliament listen to you when you speak to the Motion which I hope will be passed. If it is passed it will help, in a practical way, people like myself and my parents. Because what happened to us, could happen to any Australian family.

I thank you most sincerely, Scott Rush

It is a parent’s nightmare to have their child committed to death. We saw what an emotive issue this is when Nguyen was executed in Singapore. I recall very vividly the vigils that took place on that occasion and the prayers that were offered. Unfortunately, it still eventuated that this Australian was executed in Singapore.

It is my intention not to wait until people are executed but to be prepared to make a stand as someone who is committed to youth, as someone who has a family and as someone who has from time to time not been totally happy with the company that my kids have kept. As Scott Rush says in his letter, this is something that could afflict any family. As a parent I think it is time that we expressed our general opposition to the death penalty. There must be other ways by which these matters can be dealt with and other ways that punishment can be mete out to best fit the crime that has occurred. I think I would like to be in a situation where we can generally claim clemency for Australians currently on death row overseas and also, as Scott Rush says in his letter, be consistent and maintain our principled position and our opposition to the death penalty. This was something that was unanimously moved in this parliament in—(Time expired)

Mallee Electorate: Woomelang

Mr FORREST (Mallee) (9.28 pm)—by leave—I would like to continue my previous remarks by finishing with a positive story about Woomelang, a small township on the Sunraysia Highway in the eastern Mallee that lost their general store. Woomelang is a town with fewer than 300 people. The community got some funds together and got a small grant from the state government and bought their own store and, through working bees, have restored it. They have an ambitious program to save the petrol bowser in their town and set up a traveller’s rest to attract passing traffic on the Sunraysia Highway.
I wanted to mention that as a positive, because it is a celebration of community and a great testimony to the resilience of those hardworking people out there in the Mallee who just never give up. I applaud their efforts to save their general store. There is nothing more important than a store to provide those important victuals—the newspaper, the milk and the bread—and an opportunity for the community to meet and greet. I was a little disappointed that the federal government have not recognised the needs of communities like this. We have to wait to see how they will replace the wonderful Community Assistance Grants that were put in place by the former government to assist proud communities like Woomelang.

The DEPUTY SPEAKER (Ms JA Saffin)—Order! The time for the grievance debate has expired. The debate is interrupted in accordance with standing order 192B. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Main Committee adjourned at 9.30 pm
QUESTIONS IN WRITING

Environmental Stewardship and Caring for our Country Programs

(Question No. 206)

Dr Stone asked the Minister for the Environment, Heritage and the Arts, in writing, on 26 August 2008:

(1) How much funding will be available for the Environmental Stewardship Programme in 2008-09.

(2) Will he extend the timeframe for applications under the Caring for our Country program.

(3) What is the breakdown of funding for each of the regional natural resource management or catchment management bodies in (a) 2007-08; and (b) 2008-09.

(4) How many: (a) Landcare and Natural Resource Managers; and (b) staff at regional natural resource or catchment management bodies have lost their jobs as a result of the Caring for our Country program.

(5) In respect of Caring for our Country advertisements: (a) in total, how much money has his department spent; (b) how many were placed, and where.

Mr Garrett—The answer to the honourable member’s question is as follows:

(1) $7.5 million is available for the Environmental Stewardship Program in 2008-09.

(2) No. Proposals for 2008-09 have been received and are currently being assessed.

(3) The breakdown of funding for each of the regional natural resource management or catchment management bodies in (a) 2007-08; and (b) 2008-09 is in Table 1 below.

(4) The Australian Government does not directly employ Landcare and Natural Resource Managers or staff at natural resource management bodies through Caring for our Country. The Government therefore does not have access to specific data on the number of people employed as (a) Landcare and Natural Resource Managers; and (b) staff at regional natural resource or catchment management bodies. The Australian Government has, however, carried out a survey on the number of full time equivalent positions employed by all regional Natural Resource Management bodies in response to a request by the Senate Standing Committee on Rural and Regional Affairs and Transport. The survey data showed that on 20 November 2007 a total of 1,891.32 full time equivalent positions were employed and on 7 May 2008 a total of 1,882.58 full time equivalent positions were employed. This information was provided by state and regional organisations and cannot be verified by the Australian Government. The Australian Government is not the only source of funds used to employ Landcare and Natural Resource Managers and staff at regional natural resource or catchment management bodies and variations in employment numbers is a combination of a range of factors including variations in funding from all sources.

(5) As at 8 September 2008 the total amount expended on Caring for our Country advertising, including the Working on Country program, Open Grants, Community Coastcare, National Reserve System and the Environmental Stewardship Program, is $173,799.44. This includes 225 radio spot advertisements placed across the country and 60 advertisements in the print media in several national, regional and indigenous newspapers. Advertisements were placed in all capital city and major rural newspapers in all states and territories and the following towns specifically for the Environmental Stewardship Program target area: Blayney, Wagga Wagga, Boorowa, Cootamundra, Cowra, Crookwell, Forbes, Goulburn, Grenfell, Molong, Hay, Orange, Temora, West Wyalong, Yass, Young, Bungendore, Gundagai, Harden, Narrandera, Braidwood, Cooma, Condobolin, Parkes, Nyngan, Griffith, Junee, Queanbeyan, Leeton, Tumut, Orange.
<table>
<thead>
<tr>
<th>Regional Body</th>
<th>Regional Allocations 2007-08 (NHT &amp; NAP)</th>
<th>Caring for our Country Base Funds 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Border Rivers – Gwydir Catchment Management Authority</td>
<td>$2,745,058</td>
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<td>Central West Catchment Management Authority</td>
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<td>Hawkesbury Nepean Catchment Management Authority</td>
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<td>Murrumbidgee Catchment Management Authority</td>
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<td>Northern Rivers Catchment Management Authority</td>
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<td>Southern Rivers Catchment Management Authority</td>
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<td>Sydney Metro Catchment Management Authority</td>
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<td>Western Catchment Management Authority</td>
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<td>ACT Natural Resource Management</td>
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<td>NT Natural Resource Management</td>
<td>$7,287,920</td>
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<td>Queensland Murray Darling Committee</td>
<td>$3,892,225</td>
<td>$2,640,000</td>
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<tr>
<td>Burdekin Dry Tropics NRM</td>
<td>$6,155,690</td>
<td>$2,670,000</td>
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<tr>
<td>Burnett Mary Regional Group Inc</td>
<td>$1,362,636</td>
<td>$2,050,000</td>
</tr>
<tr>
<td>There is currently no designated regional NRM body for the Cape York Peninsula region. The Cape York Peninsula Development Association is providing these services on an interim basis.</td>
<td>$1,265,412</td>
<td>$1,660,000</td>
</tr>
<tr>
<td>Condamine Alliance</td>
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<td>Desert Channels Queensland Inc</td>
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<td>Fitzroy Basin Association</td>
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<td>Reef Catchments Mackay Whitsunday</td>
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<td>Northern Gulf Resource Management Group</td>
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<td>SEQ Catchments Ltd</td>
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<tr>
<td>South West NRM Group</td>
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<tr>
<td>Torres Strait Regional Authority</td>
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<td>Terrain Natural Resource Management</td>
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<tr>
<td>NRM North Committee</td>
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<tr>
<td>Cradle Coast NRM Committee</td>
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<td>NRM South</td>
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<td>Corangamite Catchment Management Authority</td>
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<td>Glenelg-Hopkins Catchment Management Authority</td>
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<td>Goulburn Broken Catchment Management Authority</td>
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<td>Mallee Catchment Management Authority</td>
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<tr>
<td>North Central Catchment Authority</td>
<td>$2,910,972</td>
<td>$3,650,000</td>
</tr>
</tbody>
</table>
Regional Body | Regional Allocations 2007-08 (NHT & NAP) | Caring for our Country Base Funds 2008-09
--- | --- | ---
North East Catchment Management Authority | $2,770,000 | $2,610,000
Port Phillip & Westernport Management Authority | $2,948,000 | $3,150,000
West Gippsland Catchment Authority | $3,303,000 | $3,060,000
Wimmera Catchment Management Authority | $2,302,667 | $3,280,000
Avon Catchment Council | $4,149,961 | $4,609,000
Northern Agricultural Catchments Council | $7,506,398 | $4,599,000
Rangelands Regional NRM Coordinating Group | $4,875,000 | $4,410,000
South Coast NRM Group | $6,913,680 | $5,921,000
South West NRM Group | $11,785,755 | $6,651,000
Swan NRM Group | $2,039,000 | $3,230,000
Alinytjara Wilurara Integrated Regional NRM Group | $1,956,045 | $1,990,000
Adelaide & Mount Lofty Ranges NRM Board | $3,249,689 | $2,280,000
Eyre Peninsula NRM Board | $3,329,798 | $2,070,000
Kangaroo Island NRM Board | $881,452 | $1,450,000
Northern & Yorke NRM Board | $1,298,154 | $1,698,000
SA Murray Darling Basin NRM Board | $5,091,520 | $5,080,000
South Australian Arid Lands | $2,573,871 | $1,800,000
South East NRM Board | $4,273,541 | $2,612,000

1 The 2007-08 regional figures are based on the best available information as at May 2008 on the allocation of National Action Plan for Salinity and Water Quality and Natural Heritage Trust funding across regions. This does not include contestable funding to the regions consistent with the 2008-09 allocation which also does not include contestable funding. There may be some variation between these figures and the actual distribution of expenditure by region at the end of the 2007-08 financial year once audited financial statements are received from the States.

Welfare Reform
(Question No. 213)

Mr Abbott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 26 August 2008:

(1) At what specific sites will welfare payments be made conditional on school attendance.
(2) What precise mechanisms will be implemented to ensure that all children are enrolled in school and how will these mechanisms be enforced.
(3) How will schools be required to monitor children’s attendance.
(4) How many unexplained absences from school will constitute failure to attend regularly.
(5) What action will schools take if they are concerned a child is not attending regularly.
(6) What will constitute reasonable action by parents to ensure satisfactory attendance.
(7) Will attendance rates by school be published; if so, how often and where.
(8) Will schools be required to provide daily attendance records directly to Centrelink; if not, why not.
(9) Will she guarantee that this measure will be implemented before the end of 2008.

Ms Macklin—The answer to the honourable member’s question is as follows:
The Improving School Enrolment and Attendance through Welfare Reform Measure will be trialled in six locations in the Northern Territory – Hermannsburg, Wallace Rockhole, Katherine, Katherine Town...
Camps, Wadeye and Tiwi Islands. In addition, there are two metropolitan locations, one in the Canning-
ton area of Western Australia and one other yet to be announced.

It is intended that from the first term of 2009 all parents receiving income support within the selected
locations will be required to provide details of their child’s school enrolment to Centrelink. Parents who
are doing the right thing and have their children enrolled in school will not need to do anything further.
Parents who fail to provide enrolment information to Centrelink without a reasonable excuse will have
their income support payments temporarily suspended. As soon as these parents enrol their child or pro-
vide enrolment information their payments will be reinstated with back pay, if the requirement is met
within a 13 week time period.

Parents receiving income support will also be expected to take reasonable steps to ensure their children
are regularly attending school. In instances where a child is not attending regularly, the relevant state,
territory or independent education authority can inform Centrelink. Parents will be required to show
they are working with the school and their child to try to improve the child’s school attendance. If they
cannot demonstrate this, they may have their income support payments temporarily suspended until
action is taken. However suspension is not the first step; it is the last step. Families will be offered sup-
port from schools and from Centrelink social workers before any consideration is given to suspension.
It is important to note that where a child has unsatisfactory school attendance despite the best efforts of
their parents no penalty will be imposed on parents.

Consistent with their current responsibilities, education authorities/schools determine which children
are not attending regularly. Under the measure, education authorities/schools may choose to inform
Centrelink of those parents in receipt of income support whose children are not attending regularly and
who may benefit from a Centrelink intervention. Education authorities/schools will subsequently deter-
mine whether there has been a satisfactory improvement in attendance. Guidelines for determining rea-
sonable action by parents to ensure their children attend school will be negotiated between the Com-
monwealth and state education authorities/non-government schools in the formulation of bilateral
agreements.

Implementation of the measure has commenced and includes development of the legislation, system
changes, an evaluation methodology and policy documentation. Parents living in trial locations will not
be subject to the measure until the beginning of the 2009 school year.

**Australian Sports Anti-Doping Authority**

(Question No. 218)

Mr Farmer asked the Minister for Sport, in writing, on 28 August 2008:

In respect of the Australian Sports Anti-Doping Authority (ASADA) for the years 2006-07 and 2007-
08: (a) what was the total amount of money spent on facilitating compliance with the World Anti-
Doping Code; (b) how much funding was spent on the athlete testing regime and investigations; (c) how
much was spent on ASADA’s prosecutions framework; (d) are there currently any cost recovery ar-
rangements for athlete testing, investigations, or prosecutions; if so, (i) what percentage of cost is re-
covered, and (ii) from whom is this cost recovered; and (e) what are the terms of reference for the re-
view into ASADA’s cost recovery arrangements (Budget Paper 2, page 233), and (i) who has been ap-
pointed to the review panel, and (ii) when will the review conclude.

Ms Kate Ellis—The answer to the honourable member’s question is as follows:

(a) The core function of the Australian Sports Anti-Doping Authority (ASADA) is to ensure com-
pliance with the World Anti-Doping Code and therefore all its resources are directed towards this
compliance. The total amount of resources expended in 2006-07 was $13.635m and 2007-08 was
$15.126m.
(b) In 2006-07, ASADA conducted 4,264 government funded tests at a total cost of $4.620m and in 2007-08, 4,228 tests were conducted at a cost of $4.015m. The total amount spent on investigations in 2006-07 was $0.694m and 2007-08 was $0.348m.

(c) The total amount spent on prosecutions in 2006-07 was $1.174m and 2007-08 was $1.110m.

(d) Athlete Testing – Yes, via User Pays testing arrangements.

Investigations – No.
Prosecutions – No.

(i) In respect of both years all marginal costs associated with conducting User Pays testing were recovered.

(ii) Testing costs are recovered from national sporting organisations and international sporting federations who contract ASADA to conduct User Pays testing.

(e) The Terms of Reference (TOR) stated that the review was to provide advice on:

- the rationale and scope for ASADA to recover costs under the Australian Sports Anti-Doping Authority Act 2006 and Government anti-doping in sport policies;
- the current cost recovery arrangements and their effectiveness in promoting the efficient allocation of resources and meeting the Government’s anti-doping in sport objectives;
- the appropriateness of recovering costs for all other Authority activities undertaken to meet the Government’s anti-doping in sport objectives by examining the efficiency and effectiveness of any potential cost recovery measures;
- any revised or new cost recovery arrangements and the statutory or other requirements necessary to implement the changes; and
- mechanisms and timeframes for ongoing monitoring and review.

(i) The steering committee consists of representatives from ASADA, the Department of Health and Ageing and the Department of Finance and Deregulation.

(ii) The cost recovery review will conclude prior to 31 December 2008.

Sport Funding
(Question No. 219)

Mr Farmer asked the Minister for Sport, in writing, on 28 August 2008:

(1) What is the role of the new independent panel reviewing sport funding in Australia, and how does this role differ from the role of the Australian Sports Commission Board (ASCB).

(2) Will the ASCB make funding decisions while the independent panel is reviewing sport in Australia.

(3) Has the independent panel been established; if not, when will it be; and if so, who has been appointed.

(4) What are the key milestones for the independent panel, including the timeframe for its final report and recommendations.

(5) How often will the independent panel meet.

(6) Will the independent panel be remunerated.

(7) Will the independent panel consult with: (a) the general public; (b) all National Sporting Organisations; (c) all of the State and Territory Institutes of Sport; (d) the ASCB; and (e) the Australian Sports Commission.

Ms Kate Ellis—The answer to the honourable member’s question is as follows:
(1) The role of the independent expert sport panel (the Sport Panel) is to investigate and report on measures required to ensure that Australia’s sporting system remains prepared for the challenges of the future, at the elite and grassroots levels. In preparing the report the Sport Panel will address the terms of reference publicly announced on 28 August 2008.

The Australian Sports Commission (ASC) is a principal agency responsible for implementing the Australian Government’s sports policy and delivering the Australian Government’s sport programs.

(2) The ASC Commissioners will continue to perform their statutory functions in accordance with the ASC’s enabling legislation.

(3) The Sport Panel was appointed on 28 August 2008. Details are contained in a media release issued on the same date which is available at: http://www.health.gov.au/internet/ministers/publishing.nsf/Content/MediaReleases-KE-1

(4) The Sport Panel will provide an interim report by the end of 2008 and a final report in 2009.

(5) The Sport Panel will meet as required to complete its tasks and will determine its own meeting schedule.

(6) The Sport Panel members will be appropriately remunerated based on Determination 2008/07: Remuneration and Allowances for Holders of Part-Time Public Office of the Remuneration Tribunal.

(7) The Sport Panel will consult directly with key stakeholders and provide an opportunity for anyone who wants to make their views known to do so by written submission.

Productivity Places Program
(Question No. 236)

Dr Southcott asked the Minister for Education, in writing, on 28 August 2008:

In respect of the Productivity Places Program: how often are the Industry Skills Councils required to undertake new Environmental Scans.

Ms Gillard—the answer to the honourable member’s question is as follows:

Under their existing funding arrangements with the Department, Industry Skills Councils are required to provide an Environmental Scan to the National Quality Council once every 12 months. The Environmental Scan provides information about skill shortages and training gaps based on the day-to-day interaction of the Industry Skills Councils with employers, unions, regulators and other stakeholders in their industry sectors. The Scan also provides a stocktake of physical changes made to the endorsed components of Training Packages over the preceding 12 months to reflect industry’s emerging needs and address identified skill shortages and gaps.

Over the next three years, Industry Skills Councils will be resourced by the Commonwealth to work with enterprises to identify their skill needs and appropriate training solutions. Information gathered through this role will see the Environmental Scans become increasingly rich with real-time data to gauge the magnitude of issues, and in doing so, become a valuable direction-setting document for the national training system.

Work Experience Placement Program
(Question No. 241)

Dr Southcott asked the Minister for Employment Participation, in writing, on 28 August 2008:

In respect of the Work Experience Placement Program: what proportion of job seekers utilising the program and referred to it by Vocational Rehabilitation Services providers gained employment with the Work Experience Placement host.
Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
Between 1 July 2007 and 4 September 2008, 17.54 per cent of Vocational Rehabilitation Services job seekers participating in the Work Experience Placement Program were recorded as having accepted employment with the host organisation.

Sport Funding
(Question No. 248)

Dr Southcott asked the Minister for Sport, in writing, on 28 August 2008:
In respect of the funding in the 2008-09 Budget for the Sturt Baseball Club, Marion Sports and Community Club and the Blackwood Football Club: (a) on what date and in what form where these clubs notified they would receive funding; (b) on what date did these clubs receive funding; (c) under which Portfolio Budget item was this appropriation made; and (d) what is the name of the program under which this funding was made available.

Ms Kate Ellis—The answer to the honourable member’s question is as follows:
(b) In each case contract negotiations are underway to determine a suitable payment schedule against project milestones. Funding will be provided in line with the agreed payment schedule when a funding agreement has been executed with each organisation.
(c) Sport and Recreation Facilities – contribution to funding.
(d) In each case the funding honours an election commitment.

Veterans’ Affairs: Staffing
(Question No. 249)

Mr Simpkins asked the Minister for Veterans’ Affairs, in writing, on 28 August 2008:
(1) Have there been changes over the past 12 months to the staffing arrangements in the Perth branch of his department; if so, have they resulted in an increase or a decrease in the number of staff.
(2) If there has been a decrease in the number of staff assigned to deal with over the counter enquiries, why has this occurred.
(3) Can he provide assurances that changes in staffing arrangements will not adversely affect the quality of services provided to veterans in Perth.
(4) What are the customer service quality standards for his department.

Mr Griffin—The answer to the honourable member’s question is as follows:
(1) Yes, there were some changes to staffing arrangements in my Department’s Perth Office in the past 12 months. Some functions necessitated an increase in staff, others a decrease. Overall there has been a decrease in the number of staff in WA over the past 12 months.
(2) There has been an increase in the number of staff in the Perth office assigned to deal with over the counter enquiries.
(3) Quality of service remains of the utmost importance and priority to my Department. The reduction in overall staffing has resulted from a process of national reorganisation to make the best use of available resources. This process of consolidation commenced almost two years ago and continues under this Government. These changes will not impact on clients or the levels of service they currently receive.
(4) My priority is the quality of service my Department provides to the veteran community and its ongoing commitment to meet the service standards articulated in its service charter. A copy of my Department’s Service Charter is available on the Department’s internet site at www.dva.gov.au/media/publicat/2006/service_charter/index.htm.

**Defence: Overseas Study Tour**

*(Question No. 254)*

Mr Baldwin asked the Minister for Defence, in writing, on 2 September 2008:

(1) Did staff from his department and the Australian Defence Force (ADF) go on an overseas trip as part of their efforts towards acquiring an Executive Masters in Complex Project Management.

(2) If staff from his department and the ADF did go on this trip: (a) what were the dates; (b) how many staff from his department and the ADF attended; (c) what was the itinerary; (d) what was the cost of the (i) airfares, (ii) accommodation, and (iii) meals; (e) what were the specific outcomes; and (f) would it have been possible for the attendees to achieve the same outcomes without leaving the country.

Mr Fitzgibbon—The answer to the honourable member’s question is as follows:

(1) Staff from the Defence Materiel Organisation (DMO) and the ADF are currently participating in an overseas study tour as part of the course curriculum of the Executive Masters in Complex Project Management.

(2) (a) The tour departed on Friday 19 September 2008 and is scheduled to return on Sunday 5 October 2008.

(b) Defence staff comprises 14 civilians from the DMO and two ADF (Army) members.

(c) Students will travel to the UK and USA visiting:

- the London Olympic Delivery Authority and Olympic Site;
- Mary McKinley, Vice President of the International Project Management Association;
- Michael Jackson, British Systems Scientist and Professor of Management Systems;
- BAE Systems Submarine Solutions (Astute Project);
- National Defence University Industrial College of the Armed Forces; Micron Technology Inc; and
- The Joint Strike Fighter project at Lockheed Martin Aeronautics Company.

(d) (i) $3,726 per person.

(ii) Estimated at $3,948 per person.

(iii) Estimated at $910 per person.

(e) The study tour is a requisite component of the Masters course and counts towards one full unit of study. Students of the Queensland University of Technology are required to participate in the activity to ensure that they meet the university’s requirements to graduate with this degree. The study tour will consolidate learning from the first half of the course and form the basis of several critical pieces of assessment on their return.

(e) The study tour forms a critical component of a broader learning strategy to incorporate a strong practical and experiential element within the program. “Implementation of Complex Projects” is an important unit of study on the program, putting into practice the academic theory that students have studied to date. To fully appreciate the challenges and complexities of project management at this level, it is essential that students directly engage with international project managers of these complex projects. This will enable them to understand and appreci-
ate the strategies (successful or otherwise) these individuals implement in managing these projects.

As the majority of Defence’s most complex projects form part of a global supply chain it is important for our future project managers to appreciate the challenges this presents in addition to developing an understanding of how these challenges might best be managed in an environment characterised by uncertainty and high levels of scrutiny. Experiential learning in this style is an essential element to successful adult learning and development and has been proven to enhance knowledge retention and subsequent successful application.

The Masters course has been developed with the Competency Standard for Complex Project Managers as the underpinning knowledge of the course content. View 8 of the Standard refers to “Culture and Being Human” and is based around the importance of Complex Project Managers having a sound appreciation of the cultural nuances that can impact international projects. Experiencing this first hand on the study tour fulfils the requirement that students be exposed to this as part of their ongoing understanding of the underpinning knowledge in the Standard.

(f) No.

Disability Employment Network
(Question No. 257)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:

What percentage of job seekers in the capped Disability Employment Network program have been exited to Intermittent Support.

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

In 2007–08, there were 1585 exits from the Disability Employment Network (DEN) of independent workers with exit reasons indicating the potential need for intermittent support at some point in the future. This represented 7.7 per cent of all exits in 2007–08.

Disability Employment Network
(Question No. 258)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:

(1) What percentage of the Disability Employment Network caseload has entered the program as “employment in jeopardy”.

(2) What percentage of job seekers in an “employment in jeopardy” situation, who have been on the Disability Employment Network caseload for six months or more, retain employment.

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

(1) As at 30 June 2008, there were 1103 Disability Employment Network (DEN) capped stream participants listed as ‘employment in jeopardy’. This represents 3 per cent of the 35 978 current DEN capped clients at that date.

At the same date, there were 28 DEN uncapped stream participants listed as employment in jeopardy. This represents 0.2 per cent of the 13 253 current DEN uncapped clients at that date.

(2) 94.6 per cent of the workers who entered the DEN capped stream between 01/01/06 and 31/12/06 with their employment in jeopardy, retained their employment for at least six months. It is not possible to provide comparable information for the DEN uncapped stream, due to the small number of employment in jeopardy clients who had entered the program by the end of December 2007.
Disability Employment Network
(Question No. 259)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
In respect of the total caseload of “employment in jeopardy” job seekers linked with Disability Employment Network providers: (a) how many have a (i) Disability Maintenance Instrument rating 4, (ii) Disability Maintenance Instrument rating 3, (iii) Disability Maintenance Instrument rating 2, (d) Disability Maintenance Instrument rating 1?

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
Of the clients on the books as at 30 June 2008, who had entered as ‘employment in jeopardy’ clients and had a Disability Maintenance Instrument assessment completed by that date, the numbers and proportion of those clients at each Disability Maintenance Instrument funding level were:

<table>
<thead>
<tr>
<th>DMI funding level</th>
<th>Number of clients (% of clients)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>489 (52%)</td>
</tr>
<tr>
<td>2</td>
<td>181 (19.2%)</td>
</tr>
<tr>
<td>3</td>
<td>136 (14.5%)</td>
</tr>
<tr>
<td>4</td>
<td>135 (14.3%)</td>
</tr>
</tbody>
</table>

Disability Employment
(Question No. 261)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
What is the expected frequency of servicing for a job seeker who has a (a) Disability Pre-Employment Instrument rating 4; (b) Disability Pre-Employment Instrument rating 3; (c) Disability Pre-Employment Instrument rating 2; and (d) Disability Pre-Employment Instrument rating 1?

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
The frequency of job seeker servicing is determined by a provider relative to the job seekers’ individual needs, not the Disability Pre-Employment Instrument rating they attract.

Disability Employment Network
(Question No. 262)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
How many job seekers in the Disability Employment Network have entered into Compulsory Activity Agreements?

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
As at 30 June 2008, 21 842 job seekers in the Disability Employment Network had entered into Compulsory Activity Agreements.
Disability Employment Network
(Question No. 263)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
In respect of the Disability Employment Network: how many providers have failed to meet a 90 per cent caseload over the last three months?

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
As at 30 June 2008, 94 capped Disability Employment Network (DEN) sites were below the benchmark of 90 per cent utilisation of allocated places, averaged over 13 weeks. This represented 25 per cent of all DEN capped sites nationally. However, the majority of these were only slightly below the benchmark.

Disability Employment Network
(Question No. 264)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
Is any monitoring undertaken of the unmet demand for capped Disability Employment Network services; if so, how is this undertaken?

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
The Department does not directly monitor unmet demand in the Disability Employment Network program. However, as at the 30 June 2008 the national utilisation of capped places stood at around 92 per cent. This would suggest that the current available capacity is sufficient to deal with existing demand, given the continuing high number of entries into and exits from the program in the course of the year.

Disability Employment
(Question No. 265)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
In respect of the Disability Employment Network: (a) how many capped places are there across Australia; and (b) how many uncapped places are expected to be filled in the 2008–09 financial year?

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
(a) There are currently around 39 000 capped places allocated to Disability Employment Network (DEN) providers across Australia.

(b) Access to the DEN uncapped stream is fully demand-driven. As such, the program accommodates every job seeker assessed as eligible for this service.

Disability Employment Network
(Question No. 266)

Dr Southcott asked the Minister for Employment Participation, in writing, on 2 September 2008:
What was the target number of commencements for the uncapped stream of the Disability Employment Network for the 2007–08 financial year; and were the forecasted uncapped places met for that period.
Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:
Access to the Disability Employment Network uncapped stream is fully demand-driven as such, the program accommodates every job seeker assessed as eligible for this service. There is no target for commencements in the program.

Community Development Employment Projects
(Question No. 298)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
Have Key Performance Indicators been negotiated with all Community Development Employment Projects providers?

Ms Macklin—The answer to the honourable member’s question is as follows:
Yes - Key Performance Indicator targets have been negotiated with all CDEP providers in the current financial year.

Community Development Employment Projects
(Question No. 299)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
What Key Performance Indicators have been set for Community Development Employment Projects providers.

Ms Macklin—The answer to the honourable member’s question is as follows:
KPI 1: Number of CDEP participants who move into non-CDEP employment.
KPI 2: Activities have a relationship to community priorities and wherever possible improve employability skills.
KPI 3: Quality.
KPI 4a: Number of commercially viable business created.
KPI 4b: Number of commercially viable business being progressed.

Community Development Employment Projects
(Question No. 304)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
Is there a separate youth funding rate for Community Development Employment Projects participants?

Ms Macklin—The answer to the honourable member’s question is as follows:
For CDEP Participants living in remote locations, Youth Participants receive $189.70 per week compared to Adult Participants who earn $249.27 per week. For CDEP Participants living in non-remote locations, Youth Participants receive $180.60 per week compared to Adult Participants who receive $224.49 per week.
The CDEP provider is funded at the adult rate for all participants, the difference between the funded adult rate and the payment of the youth rate must be used to provide training for Youth Participants.
Community Development Employment Projects  
(Question No. 305)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
What training is being provided to Community Development Employment Projects participants?

Ms Macklin—The answer to the honourable member’s question is as follows:
It is a requirement of the program the participants under the age of 21 receive training as part of their CDEP participation. It is also a requirement that participants between the ages of 15-17 receive accredited training. All other participants receive on-the-job training through CDEP activities to improve skills and employment prospects. Participants who are required to register with Job Network also receive access to additional training. Job Network members identify areas where participants require training to increase skills and employability and provide access to those services.

Community Development Employment Projects  
(Question No. 306)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
How many Indigenous job seekers are currently participating in Community Development Employment Projects?

Ms Macklin—The answer to the honourable member’s question is as follows:
As of the 14 September 2008, there were 17,701 active participants in the CDEP program.

Community Development Employment Projects  
(Question No. 308)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
In respect of Community Development Employment Projects (CDEP) participants from the period prior to its rollback, and who have now recommenced with CDEP: how many were on CDEP for (a) one year, (b) two years, (c) three years, and (d) more than three years?

Ms Macklin—The answer to the honourable member’s question is as follows:
According to CDEP administrative data, of all participants that were with the 16 transitioned providers, as at 31 August 2008 around 330 individuals had recommenced in the CDEP program after the reinstatement of CDEP into the Northern Territory.
Of these individuals, who recommenced: 48 per cent had been participating in the CDEP program for one year or less; 20 per cent had been participating for one to two years; 10 per cent had been participating for two to three years; and, 22 per cent had been participating for three years and more.

Community Development Employment Projects  
(Question No. 310)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
Were all risk assessments of Community Development Employment Projects providers undertaken by the Department of Education, Employment and Workplace Relations, transferred across to her department?
Ms Macklin—The answer to the honourable member’s question is as follows:
Some of the risk information is still held by the Department of Education, Employment and Workplace Relations. This information is accessible to CDEP staff in the Department of Families, Housing, Community Services and Indigenous Affairs.

Community Development Employment Projects
(Question No. 311)

Dr Southcott asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 2 September 2008:
In respect of Community Development Employment Projects (CDEP) participants who were undertaking their CDEP placement with the Northern Territory public service prior to the CDEP rollback in that area: how many are now in employment with the Northern Territory Government?

Ms Macklin—The answer to the honourable member’s question is as follows:
597 Northern Territory Community Development Employment Projects (CDEP) program participants have already transitioned to jobs through agencies where Australian Government funding has passed through the Northern Territory Government (NTG).

Of the 597, 36 of these were directly employed by the NTG, 25 through Community Health Organisations in the NT, 408 with NT Shire Councils, through NT Department of Local Government and Housing with matched funding provided by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs to the NTG and 128 to school councils, through NT Department of Education and Training, with funds provided by the Australian Government Department of Education, Employment and Workplace Relations.

Governor General: Commissions
(Question No. 320)

Mr Melham asked the Prime Minister, in writing, on 2 September 2008:
In the absence of the Governor-General, who holds a dormant Commission as Administrator and what are the words of the Commission.

Mr Rudd—I am advised that the answer to the honourable member’s question is as follows:
Section 4 of the Constitution provides for the appointment of an Administrator of the Government of the Commonwealth. The Letters Patent relating to the Office of Governor-General provide that persons are appointed to administer the Government of the Commonwealth by Commission signed by The Queen.

As at 2 September 2008 the following State Governors are in possession of Commissions for the administration of the Government of the Commonwealth:

Her Excellency Professor Marie Bashir AC CVO;
His Excellency Professor David de Kretser AC; and
His Excellency Dr Kenneth Michael AC.

Each of these Commissions is expressed in the form attached.

COMMISSION

passed under the Royal Sign Manual and the Great Seal of Australia, appointing [NAME]
to administer the Government of the Commonwealth of Australia
in the event of the absence, etc., of the Governor-General

ELIZABETH THE SECOND, by the Grace of God Queen of Australia and Her other Realms and Territories, Head of the Commonwealth: To [Name], Governor of the State of [State], Greeting:

WE DO, by this Our Commission under Our Sign Manual and the Great Seal of Australia, appoint you, [Name], in the event of the absence out of Australia, or the death, incapacity or removal, of Our Governor-General of the Commonwealth of Australia for the time being, or in the event of Our Governor-General having absented himself temporarily from office for any reason, to administer the Government of the Commonwealth, upon a request in that behalf being made to you in accordance with Our Letters Patent as amended relating to the office of Governor-General of the Commonwealth of Australia.

AND WE DO hereby declare that this Our present Commission shall remain in force during Our pleasure.

Given at Our Court

at

on

by Her Majesty's Command,

Prime Minister