INTERNET

The Votes and Proceedings for the House of Representatives are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

For searching purposes use
http://parlinfoWeb.aph.gov.au

SITTING DAYS—2008

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

RADIO BROADCASTS

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

- **CANBERRA**: 103.9 FM
- **SYDNEY**: 630 AM
- **NEWCASTLE**: 1458 AM
- **GOSFORD**: 98.1 FM
- **BRISBANE**: 936 AM
- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—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 Georganas 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

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Albanese, Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Andrews, Hon. Kevin James</td>
<td>Menzies, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bailey, Hon. Frances Esther</td>
<td>McEwen, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bevis, Hon. Archibald Ronald</td>
<td>Brisbane, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Bidgood, James Mark</td>
<td>Dawson, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Billson, Hon. Bruce Fredrick</td>
<td>Dunkley, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, Sharon Leah</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Hon. Julie Isabel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, Hon. Christopher Eyles</td>
<td>Prospect, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bradbury, David John</td>
<td>Lindsay, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Briggs, Jamie Edward</td>
<td>Mayo SA</td>
<td>LP</td>
</tr>
<tr>
<td>Broadbent, Russell Evan</td>
<td>McMillian, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Anna Elizabeth</td>
<td>Chisholm, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, Hon. Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, Mark Christopher</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, Hon. Anthony Michael</td>
<td>Holt, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Campbell, Jodie Louise</td>
<td>Bass, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Champion, Nicholas David</td>
<td>Wakefield, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Cheeseman, Darren Leicester</td>
<td>Corangamite, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Chester, Darren</td>
<td>Gippsland, Vic</td>
<td>Nats</td>
</tr>
<tr>
<td>Ciobo, Steven Michele</td>
<td>Moncrieff, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Clare, Jason Dean</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Cobb, Hon. John Kenneth</td>
<td>Calare, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Collins, Julie Maree</td>
<td>Franklin, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Combet, Hon. Gregory Ivan, AM</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Costello, Hon. Peter Howard</td>
<td>Higgins, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Coulton, Mark Maclean</td>
<td>Parkes, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Crean, Hon. Simon Findlay</td>
<td>Hotham, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Danby, Michael David</td>
<td>Melbourne Ports, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>D’Ath, Yvette Maree</td>
<td>Petrie, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Debus, Hon. Robert John</td>
<td>Macquarie, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Dreyfus, Mark Alfred, QC</td>
<td>Isaacs, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Dutton, Hon. Peter Craig</td>
<td>Dickson, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Elliott, Hon. Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Annette Louise</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Hon. Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Emerson, Hon. Craig Anthony</td>
<td>Rankin, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Farmer, Hon. Patrick Francis</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Ferguson, Hon. Laurie Donald Thomas</td>
<td>Reid, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Hon. Martin John, AM</td>
<td>Batman, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Fitzgibbon, Hon. Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Forrest, John Alexander</td>
<td>Mallee, Vic</td>
<td>Nats</td>
</tr>
<tr>
<td>Garret, Hon. Peter Robert, AM</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Gash, Joanna</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
</tbody>
</table>
### Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgianas, Steven</td>
<td>Hindmarsh, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>George, Jennie</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Georgiou, Petro</td>
<td>Kooyong, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Gibbons, Stephen William</td>
<td>Bendigo, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillard, Hon. Julia Eileen</td>
<td>Lalor, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Gray, Hon. Gary, AO</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Grierson, Sharon Joy</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, Hon. Alan Peter</td>
<td>Bruce, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Haase, Barry Wayne</td>
<td>Kalgoorlie, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hale, Damian Francis</td>
<td>Solomon, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Hall, Jill Griffiths</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hartsuyker, Luke</td>
<td>Cowper, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hawke, Alexander George</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hawker, Hon. David Peter Maxwell</td>
<td>Wannon, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Christopher Patrick</td>
<td>Werrinia, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hull, Kay Elizabeth</td>
<td>Riverina, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Irons, Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Irwin, Julia Claire</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Jackson, Sharryn Maree</td>
<td>Hasluck, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Jenkins, Henry Alfred</td>
<td>Scullin, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Jensen, Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Johnson, Michael Andrew</td>
<td>Ryan, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Katter, Hon. Robert Carl</td>
<td>Kennedy, Qld</td>
<td>Ind</td>
</tr>
<tr>
<td>Keenan, Michael Fayat</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Hon. Michael Joseph, AM</td>
<td>Eden-Monaro, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Kerr, Hon. Duncan James Colquhoun, SC</td>
<td>Denison, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>King, Catherine Fiona</td>
<td>Balfarate, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Andrew Charles</td>
<td>Bowman, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Ley, Hon. Sussan Penelope</td>
<td>Farrar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Lindsay, Hon. Peter John</td>
<td>Herbert, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Livermore, Kirsten Fiona</td>
<td>Capricornia, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>McClelland, Hon. Robert Bruce</td>
<td>Barton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Macfarlane, Hon. Ian Elgin</td>
<td>Groom, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>McKew, Hon. Maxine Margaret</td>
<td>Bemmelong, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Macklin, Hon. Jennifer Louise</td>
<td>Jugajaga, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>McMullan, Hon. Robert Francis</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Marino, Nola Bethwyn</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Markus, Louise Elizabeth</td>
<td>Greenway, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Marles, Richard Donald</td>
<td>Corio, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>May, Margaret Ann</td>
<td>McPherson, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Melham, Daryl</td>
<td>Banks, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Mirabella, Sophie</td>
<td>Indi, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Morrison, Scott John</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Moylan, Hon. Judith Eleanor</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Murphy, Hon. John Paul</td>
<td>Lowe, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Neal, Belinda Jane</td>
<td>Robertson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Nelson, Hon. Brendan John</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
</tbody>
</table>
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neumann, Shayne Kenneth</td>
<td>Blair, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Neville, Paul Christopher</td>
<td>Hinkler, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Oakeshott, Robert James Murray</td>
<td>Lyne, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>O’Connor, Hon. Brendan Patrick</td>
<td>Gorton, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Julie Ann</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Parke, Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Pearce, Hon. Christopher John</td>
<td>Aston, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Perrett, Graham Douglas</td>
<td>Moreton, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Price, Hon. Leo Roger Spurway</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Pyne, Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Raguse, Brett Blair</td>
<td>Forde, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Ramsey, Rowan Eric</td>
<td>Grey, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Randall, Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Rea, Kerry Marie</td>
<td>Bonner, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Ripoll, Bernard Fernand</td>
<td>Oxley, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Rishworth, Amanda Louise</td>
<td>Kingston, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, Hon. Andrew John, AO</td>
<td>Goldstein, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Robert, Stuart Rowland</td>
<td>Fadden, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Roxon, Hon. Nicola Louise</td>
<td>Gellibrand, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Rudd, Hon. Kevin Michael</td>
<td>Griffith, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Ruddock, Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Saffin, Janelle Anne</td>
<td>Page, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Schultz, Albert John</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Scott, Hon. Bruce Craig</td>
<td>Maranoa, Qld</td>
<td>NP</td>
</tr>
<tr>
<td>Secker, Patrick Damien</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Shorten, Hon. William Richard</td>
<td>Maribyrnong, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Sidebottom, Peter Sid</td>
<td>Braddon, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Simpkins, Luke Xavier Linton</td>
<td>Cowan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Slipper, Hon. Peter Neil</td>
<td>Fisher, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Hon. Anthony David Hawthorn</td>
<td>Casey, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Hon. Stephen Francis</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Snowden, Hon. Warren Edward</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Somlyay, Hon. Alexander Michael</td>
<td>Fairfax, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Southcott, Andrew John</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, Hon. Sharman Nancy</td>
<td>Murray, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Sullivan, Jonathan Harold</td>
<td>Longman, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Swan, Hon. Wayne Maxwell</td>
<td>Lilley, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Symon, Michael Stuart</td>
<td>Deakin, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Tanner, Hon. Lindsay James</td>
<td>Melbourne, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Thomson, Craig Robert</td>
<td>Dobell, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Thomson, Kelvin John</td>
<td>Wills, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Trevor, Chris Allan</td>
<td>Flynn, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Truss, Hon. Warren Errol</td>
<td>Wide Bay, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Tuckey, Hon. Charles Wilson</td>
<td>O’Connor, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, Hon. Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Turnour, James Pearce</td>
<td>Leichhardt, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Vale, Hon. Danna Sue</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vamvakinou, Maria</td>
<td>Calwell, Vic</td>
<td>ALP</td>
</tr>
</tbody>
</table>
**Members of the House of Representatives**

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

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

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

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

[The above ministers constitute the cabinet]
RUDD MINISTRY—continued

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
The Hon Malcolm Turnbull MP

Shadow Treasurer and Deputy Leader of the Opposition
The Hon Julie Bishop MP

Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
The Hon Warren Truss MP

Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Senator the Hon Nick Minchin

Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate
Senator the Hon Eric Abetz

Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
The Hon Andrew Robb AO, MP

Shadow Minister for Foreign Affairs and Manager of Opposition Business in the Senate
Senator the Hon Helen Coonan

Shadow Minister for Finance, Competition Policy and Deregulation and Manager of Opposition Business in the House
The Hon Joe Hockey MP

Shadow Minister for Energy and Resources
The Hon Ian Macfarlane MP

Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
The Hon Tony Abbott MP

Shadow Special Minister of State and Shadow Cabinet Secretary
Senator the Hon Michael Ronaldson

Shadow Minister for Human Services and Deputy Leader of The Nationals
Senator the Hon Nigel Scullion

Shadow Minister for Climate Change, Environment and Water
The Hon Greg Hunt MP

Shadow Minister for Health and Ageing
The Hon Peter Dutton MP

Shadow Minister for Defence
Senator the Hon David Johnston

Shadow Minister for Education, Apprenticeships and Training
The Hon Christopher Pyne MP

Shadow Attorney-General
Senator the Hon George Brandis SC

Shadow Minister for Agriculture, Fisheries and Forestry
The Hon John Cobb MP

Shadow Minister for Employment and Workplace Relations
Mr Michael Keenan MP

Shadow Minister for Immigration and Citizenship
The Hon Dr Sharman Stone

Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts
Mr Steven Ciobo

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

Shadow Minister for Financial Services, Superannuation and Corporate Law  
The Hon Chris Pearce MP

Shadow Assistant Treasurer  
The Hon Tony Smith MP

Shadow Minister for Sustainable Development and Cities  
The Hon Bruce Billson MP

Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House  
Mr Luke Hartsuyker MP

Shadow Minister for Housing and Local Government  
Mr Scott Morrison

Shadow Minister for Ageing  
Mrs Margaret May MP

Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence  
The Hon Bob Baldwin MP

Shadow Minister for Veterans’ Affairs  
Mrs Louise Markus MP

Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth  
Mrs Sophie Mirabella MP

Shadow Minister for Justice and Customs  
The Hon Sussan Ley MP

Shadow Minister for Employment Participation, Training and Sport  
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Northern Australia  
Senator the Hon Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport  
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development  
Mr John Forrest MP

Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs  
Senator Marise Payne

Shadow Parliamentary Secretary for Energy and Resources  
Mr Barry Haase MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector  
Senator Cory Bernardi

Shadow Parliamentary Secretary for Water Resources and Conservation  
Senator Fiona Nash

Shadow Parliamentary Secretary for Health Administration  
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence  
The Hon Peter Lindsay MP

Shadow Parliamentary Secretary for Education  
Senator the Hon Brett Mason

Shadow Parliamentary Secretary for Justice and Public Security  
Mr Jason Wood MP

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry  
Senator the Hon Richard Colbeck

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate  
Senator Concetta Fierravanti-Wells
CONTENTS

MONDAY, 24 NOVEMBER

Chamber
Main Committee—
  Private Members’ Motions ................................................................. 11003
  Hours of Next Meeting ...................................................................... 11003
Australian Organ and Tissue Donation and Transplantation Authority Bill 2008 11003
Customs Amendment (Australia-Chile Free Trade Agreement Implementation) Bill 2008 ................................................................. 11003
Customs Tariff Amendment (Australia-Chile Free Trade Agreement Implementation) Bill 2008 ................................................................. 11003
Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008 11003
Dairy Adjustment Levy Termination Bill 2008—
  Returned from the Senate ................................................................. 11003
Business—
  Rearrangement ............................................................................ 11003
Tax Laws Amendment (2008 Measures No. 5) Bill 2008—
  Second Reading ................................................................................ 11003
Ministerial Arrangements .................................................................... 11028
Questions Without Notice—
  Employment ...................................................................................... 11028
  Rudd Government: Election Commitments ........................................ 11029
  Executive Salaries ............................................................................. 11030
Distinguished Visitors ........................................................................ 11030
Questions Without Notice—
  Economy ......................................................................................... 11030
  Economy ......................................................................................... 11031
Distinguished Visitors ........................................................................ 11031
Questions Without Notice—
  Pensions and Benefits ................................................................. 11032
  Economy ......................................................................................... 11033
  Commonwealth-State Financial Arrangements ................................ 11033
  Economy ......................................................................................... 11034
  Education ......................................................................................... 11035
  Schools: Computers ......................................................................... 11036
  Australian Healthcare Agreements .................................................. 11037
  Health ............................................................................................. 11038
  Asia Pacific Economic Cooperation ................................................ 11039
  Broadband ....................................................................................... 11040
  Trade .............................................................................................. 11040
  Whaling ......................................................................................... 11041
  Local Government ........................................................................... 11043
  Drought .......................................................................................... 11044
  DVD Piracy ...................................................................................... 11044
  Health ............................................................................................. 11045
  90th Anniversary of Remembrance Day ........................................... 11046
Questions to the Speaker—
  Questions in Writing ....................................................................... 11047
Documents ......................................................................................... 11047
Business—
  Days and Hours of Meeting .......................................................... 11048
CONTENTS—continued

Leave of Absence............................................................................................................... 11050
Independent Reviewer of Terrorism Laws Bill 2008—
   First Reading ............................................................................................................. 11050
Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Bill 2008—
   Consideration of Senate Message........................................................................... 11050
Social Security Legislation Amendment (Employment Services Reform) Bill 2008—
   Second Reading ....................................................................................................... 11055
   Consideration in Detail ............................................................................................. 11058
   Third Reading ........................................................................................................... 11068
Tax Laws Amendment (2008 Measures No. 5) Bill 2008—
   Second Reading ....................................................................................................... 11069
   Third Reading ........................................................................................................... 11070
Family Law Amendment (De Facto Financial Matters and Other Measures) Bill 2008,
Trade Practices Legislation Amendment Bill 2008,
Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008,
Offshore Petroleum (Annual Fees) Amendment (Greenhouse Gas Storage) Bill 2008,
Offshore Petroleum (Registration Fees) Amendment (Greenhouse Gas Storage) Bill 2008 and
Offshore Petroleum (Safety Levies) Amendment (Greenhouse Gas Storage) Bill 2008—
   Assent ................................................................................................................ 11071
Australian Curriculum, Assessment and Reporting Authority Bill 2008—
   Second Reading ....................................................................................................... 11071
National Rental Affordability Scheme Bill 2008—
   Returned from the Senate ..................................................................................... 11121
National Rental Affordability Scheme (Consequential Amendments) Bill 2008—
   Consideration of Senate Message ........................................................................... 11121
Petitions—
   Age Pension ........................................................................................................ 11123
   Environment ........................................................................................................ 11123
   Immigration: Asylum Seekers ............................................................................. 11123
   Iraqi Christians ................................................................................................... 11123
   Australia Post: Wanneroo Post Office ................................................................. 11123
Responses—
   Nursing Homes ................................................................................................... 11124
   Hyperhidrosis ........................................................................................................ 11124
   Telecommunications ............................................................................................ 11125
   Climate Change ................................................................................................... 11126
Statements ............................................................................................................... 11127
Committees—
   Economics Committee—Report ......................................................................... 11128
   Industry, Science and Innovation Committee—Report ........................................ 11130
   Infrastructure, Transport, Regional Development and Local Government Committee—Report ................................................................. 11130
   Infrastructure, Transport, Regional Development and Local Government Committee—Report: Referral to Main Committee ............................................ 11133
   Treaties Committee—Report ............................................................................. 11133
Private Members’ Business—
   White Ribbon Day .............................................................................................. 11135
Adjournment—
  Frankston Bypass: Southern Brown Bandicoot............................................................ 11141
  Australian Council of Local Government .................................................................. 11142
  Ryan Electorate: Storm Damage .................................................................................. 11144
  Blair Electorate: Post-Formal Mystery Tour ................................................................. 11145
  Anaphylaxis.................................................................................................................. 11146
  Corio Electorate: Pako Festa ........................................................................................ 11147

Notices ............................................................................................................................ 11148

Main Committee
Aged Care Amendment (2008 Measures No. 2) Bill 2008—
  Second Reading ............................................................................................................ 11150

Statements by Members—
  Gippsland Electorate .................................................................................................... 11180
  Councillor Charlie Gregorini....................................................................................... 11181
  Rudd Government ........................................................................................................ 11181

Questions In Writing
  Epidermolysis Bullosa—(Question No. 325)................................................................. 11184
  International Panel on Climate Change—(Question No. 331)..................................... 11184
  Mr John Howard—(Question No. 339)......................................................................... 11184
  Export Market Development Grants Scheme—(Question No. 343)......................... 11185
  Defence Home Ownership Assistance Scheme—(Question No. 346)..................... 11185
  Vocational Education and Training Funding—(Question No. 362)......................... 11186
The SPEAKER (Mr Harry Jenkins) took the chair at 12.00 pm and read prayers.

MAIN COMMITTEE
Private Members’ Motions
The SPEAKER—In accordance with standing order 41(b), and the recommendations of the whips adopted by the House on 12 November 2008, I present copies of the terms of motions for which notice has been given by the members for Maranoa, Oxley and Moncrieff. These matters will be considered in the Main Committee later today.

Hours of Next Meeting
The SPEAKER—I advise the House that the Deputy Speaker has fixed 4 pm today as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

AUSTRALIAN ORGAN AND TISSUE DONATION AND TRANSPLANTATION AUTHORITY BILL 2008
CUSTOMS AMENDMENT (AUSTRALIA-CHILE FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2008
CUSTOMS TARIFF AMENDMENT (AUSTRALIA-CHILE FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2008
FINANCIAL TRANSACTION REPORTS AMENDMENT (TRANSITIONAL ARRANGEMENTS) BILL 2008
DAIRY ADJUSTMENT LEVY TERMINATION BILL 2008

Returned from the Senate
Message received from the Senate returning the bills without amendment or request.

BUSINESS
Rearrangement
Mr Griffin (Bruce—Minister for Veterans’ Affairs) (12.02 pm)—I move:
That orders of the day Nos 1 and 2, government business, be postponed until a later hour this day.

Question agreed to.
TAX LAWS AMENDMENT (2008 MEASURES No. 5) BILL 2008
Second Reading
Debate resumed from 13 November, on motion by Mr Bowen:
That this bill be now read a second time.

Mr Neumann (Blair) (12.03 pm)—The Tax Laws Amendment (2008 Measures No. 5) Bill 2008 is a tax law amendment bill that has five schedules. I am up to the fifth schedule so there is not terribly much to go. The fifth schedule deals with managed funds and changes to eligible investment business rules. We foreshadowed this amendment during the last election campaign and we announced it in the 2008-09 budget.

The amendments are to the eligible investment rules for managed investment trusts, which are contained in division 6C of the Income Tax Assessment Act. These amendments clarify the scope and meaning of investment in land for the purpose of deriving rent and introduce a 25 per cent safe-harbour allowance for non-rental, non-trading income from investments in land. They also expand the range of financial instruments which a managed fund can invest in or trade, and they provide a two per cent safe-harbour allowance for other non-trading income. They are part of our strategy to make Australia a funds management hub for the Asia-Pacific region. We face a lot of competition in that regard from Hong Kong and from Singapore, which seems to have a march on us in many respects.
The amendments are about modernising and clarifying the business rules for investment in relation to managed investment trusts. This is about restoring the integrity and promoting the efficiency of our taxation system. If we do not get this right we will not have the tax revenue to ensure that our economy remains vibrant, our investments in health and education will not be completed and the people in my electorate will not get the kind of financial assistance which they really need at this particular time.

We have had tremendous floods in my area in the last week or so, and people are crying out for financial assistance. By making these sorts of taxation amendments we improve the revenue base for our economy, which improves the capacity of the government to meet emergencies such as we have experienced in the last week, and my electors will benefit. In fact, 43,701 households in my electorate will benefit from the economic security strategy which we are handing down and from which the people will receive money in early December. I have conducted 31 mobile offices in the week since parliament last met, and I can assure you that the people in my area are looking forward to that money. They will need it to meet their commitments. In the circumstances I commend the bill to the House because it will benefit my electors a great deal.

Mr Trevor (Flynn) (12.06 pm)—I rise today to speak on the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. This bill is broken into five separate schedules and aims to clear up previous shades of grey within our very own tax system. I feel personally that this is an important bill and one that can only strengthen Australia’s footing, particularly at a time of global financial crisis. Each of the five schedules in this bill carries different aspects and implications and I would like to speak today regarding each of these five schedules briefly.

Schedule 1 will introduce changes to the manner in which GST and the sale of real property is treated. This schedule amends the A New Tax System ( Goods and Services Tax) Act 1999, which was introduced, of course, by the former Howard government. With schedule 1 of this bill my government will introduce an integrity measure to the GST that had been overlooked by the former government with regard to the sale of property. GST, when introduced back in 2000, was always intended to apply to increases in the value of real property such as land, with important exceptions—for example, farmland. However, because of technical defects within the original legislation it has been possible for some to avoid paying their fair share of GST when entering into contracts for the sale of property. This has been possible due to what has been termed in GST legislation as a ‘margin scheme’, which applies to the sale of real property, and how this margin scheme interacts with the following three exemption scenarios: (1) provisions that allow the GST-free sale of a ‘going concern’—for example, a business or shop, (2) the GST-free sale of farmland and (3) provisions dealing with associated entities.

This new bill will tighten the rules with regard to these three exemption scenarios to ensure that real property transactions cannot be unfairly structured in a way to reduce the GST liability of a taxpayer who was not technically eligible for a GST exemption and would otherwise have claimed an unfair advantage over others who choose to follow the intent of the tax law. As Chairman of the Prime Minister’s Country Task Force and as a representative of many primary producers in my electorate of Flynn, I strongly support the continued exemption on the sale of farmland from GST. However, this schedule will ensure that it is applied only in legitimate circumstances, as was always intended.
Schedule 2 of the Tax Laws Amendment (2008 Measures No. 5) Bill 2008 modifies the rules in relation to the application of accounting standards and in particular the thin capitalisation regime. Schedule 2 adjusts the system to better equip Australia after our adoption in 2005 of the equivalent of the international financial reporting standards and the thin capitalisation positions of businesses. Schedule 2 will help ensure that both Australian and foreign owned multinational businesses operating in Australia cannot unfairly reduce their Australian tax liabilities by allocating excessive amounts of debt to their Australian operations.

Schedule 3 of this bill is an important measure and one aimed to assist our state government counterparts to lower the cost of their capital and financing arrangements for state infrastructure projects—an essential move given today’s funding environment and economic conditions. Schedule 3 will amend the Income Tax Assessment Act 1936 to exempt bonds issued in Australia by state and territory central borrowing authorities from the interest withholding tax. This aspect of the bill is also designed to make state government issued bonds more attractive to overseas investors and ease some of the burden currently faced by the Commonwealth government securities market. To be eligible for this exemption of interest withholding tax, a bond must pass the public offer test and can include debenture stock and notes.

Schedule 4 of the bill deals with the fringe benefits tax. A loophole has emerged in the fringe benefits tax legislation and arrangements regarding an employee and their partner who jointly hold an income-producing asset, such as an investment property or shares. The loophole was that the partner situated in the highest marginal tax bracket could enter into salary-sacrificing arrangements with their employer to reduce their taxable income by an amount equal to the expenses that had been incurred as a result of owning the income-producing asset. By using the ‘otherwise deductible’ rule, fringe benefits tax could be reduced to zero and the employee in the higher of the two tax brackets effectively received 100 per cent of the tax deductible expenses but in reality only owned a proportion of the asset and should only have been entitled to a corresponding amount of the expenses incurred. Schedule 4 of this bill will make it clear and fair that deductions from jointly held assets should only be allocated according to the taxpayer’s share of that asset and end the practice of being able to claim 100 per cent of the deductions while only owning a share of the corresponding asset.

Lastly, schedule 5 of this bill is part of the Rudd Labor government’s agenda to promote Australia as a funds management hub in the Asia-Pacific region. In order to create this hub, the government will need to enhance the competitiveness of the Australian funds management industry on the international stage. In order to achieve this, the Rudd Labor government has commissioned a review of taxation policy that applies to managed investment trusts. Once this review is completed, which is due by mid-2009, the government will introduce a specific tax regime to apply to this industry that will ensure Australia is an attractive place for investment in managed funds.

Pending this more involved review of the competitiveness of the Australian managed funds industry, the government, through this bill, will modernise and clarify the eligible investment business rules to lower compliance costs for managed investment trusts. These interim measures will include: clarifying the scope and meaning of investment in land for the purpose of deriving rent; introducing a 25 per cent safe harbour allowance for non-rental, non-trading income from investment land and a two per cent safe har-
bour at the whole-of-trust level for non-trading income; and increasing the scope of financial instruments that may be traded by a managed fund.

These five schedules represent various changes to our tax system, but I welcome any move by my government to increase the consistency and fairness of the tax system—after all that is what Australia is renowned for: a fair go. I also welcome any move that will make Australia more competitive on the international stage and more attractive to foreign investment. This is particularly important given the current set of economic circumstances that our economy now operates in. I believe that the Tax Laws Amendment (2008 Measures No. 5) Bill 2008 does just that. I congratulate the Rudd Labor government for its outstanding leadership on this issue and commend this bill to the House.

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (12.16 pm)—I rise to speak on the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. This is a bill that will contribute to the long-term viability of Australia’s finance and insurance sector. It is important to ensure that, in the midst of the financial crisis, we put in place policy settings to ensure the finance sector remains globally competitive and improves its competitiveness. The legislation is also important in making it easier for state and territory governments to raise money through the issuance of bonds. This will strengthen our financial market and make it easier for state and territory governments to raise capital to fund infrastructure projects. The area of infrastructure is one of the areas that were profoundly neglected by the previous government but one that is a priority for the Rudd Labor government. As part of the government’s response to the global financial crisis the government has also indicated that it wishes to bring forward priority infrastructure projects to get underway within the Australian economy.

The third key initiative of this bill is to close a loophole in the operation of the goods and services tax, thereby improving the integrity of the GST tax base. This tax integrity measure will raise revenue over the next four years, helping state and territory governments—who of course are the fundamental recipients of the proceeds of the GST. The two other initiatives in this bill increase the integrity of the taxation system. Maintaining a sound fiscal base is essential if we are to weather the current global financial crisis, so this is an important bill in the current economic context.

I will now go to the details of the bill. The bill makes five substantive changes. The first is an amendment to the legislation governing the goods and services tax to maintain the integrity of the GST base. This will address a loophole in the GST law that enabled some property developers to avoid GST and obtain what we consider to be an unfair advantage over their competitors. The problem arose due to the interaction of the special rules for calculating GST on real property, known as the margin scheme, and the provisions that allow the GST-free sale of an ongoing business and farmland. The margin scheme means that GST is only levied on the margin
by which the value of the property has increased each time it is sold by a GST-registered entity. It is generally used for new residential property developments from 1 July 2000.

However, the increase in value between when property was purchased and when it was sold as a going concern or as farmland was not subject to GST. If the property was subsequently sold under the margin scheme, only the value added after its sale as a going concern or farmland was taxed. This allowed some developers to structure property deals in such a way as to minimise the operation of the goods and services tax. Schedule 1 of this bill will address these deficiencies by including in the margin the value added to the property by the supplier of the GST-free going concern or farmland after the property entered the GST system. This change will not have a significant impact on the price of new housing as the affected segment is small compared to the entire housing market. However, this important measure will increase allocative efficiency in the market by removing the incentive to avoid GST, which was distorting the property market. Of course, ensuring the tax system operates in a way that improves the efficient allocation of resources is an important objective.

This integrity measure is expected to result in an extra half a billion dollars over the next four years in GST revenue. As with all GST revenue, this will be allocated to the states and territories, which will be welcome assistance to them as they respond to the global economic slowdown caused by the international financial crisis. Australia is in a good position to weather the crisis because of prudent economic management, and this integrity measure is an extremely good example of that approach—that is, the sound position that the country is in.

Schedule 2 of the bill deals with thin capitalisation, which occurs when multinational entities reduce their Australian tax liabilities by allocating an excessive amount of debt to their Australian operations. The thin capitalisation regime is a tax integrity measure that disallows a proportion of deductible interest on debt used to fund the Australian operations of a multinational entity when it exceeds certain limits. Schedule 2 of this bill modifies the thin capitalisation regime to enable entities to vary from the accounting standards in identifying and valuing their assets and liabilities for thin capitalisation purposes. As with the first schedule, this is a tax integrity measure that is very important in the context of the current financial circumstance.

Schedule 3 of the bill deals with interest withholding tax. Schedule 3 will insert a new subsection into the Income Tax Assessment Act 1936 to enable bonds issued in Australia by state and territory central borrowing authorities to be eligible for exemption from interest withholding tax. This is part of the initiatives announced by the Treasurer earlier this year to bolster Australia’s financial markets. Removing the interest withholding tax will allow the states to unify their bond issuances into one pool of funds, improving the depth and liquidity in the market. It will make state government bonds more attractive to foreign investors. In this time of global financial crisis, investors will be looking for low-risk opportunities for investment and this will make Australia more attractive as an investment location. This should lead to a lower cost of capital and, eventually, to lower financing costs for state infrastructure projects that are financed by the issuance of bonds.

This is obviously very important in the current economic climate. As important as this is the long-term support that it will provide to Labor’s nation-building agenda. In-
Infrastructure investment by state governments is a necessary complement to the Rudd government’s $76 billion nation-building agenda. Estimates by various organisations in the business community suggest that extremely significant levels of infrastructure investment are necessary if we are to provide the economic stimulus that is required not only in these circumstances but for long-term future economic development. In fact, it is estimated by a number of agencies that the failure of the previous government to provide leadership in nation building and infrastructure investment has had a negative impact not only on jobs and GDP growth but also on productivity within the domestic economy. All measures that can be taken to support and encourage infrastructure investment at all levels of government are going to be extremely important for the future economic development of this country: the development of skills, the improvement of productivity, the expansion of the economy and the creation of employment.

Schedule 4 of the bill relates to the operation of the fringe benefits tax. Schedule 4 is another tax integrity measure that will improve the fairness and integrity of the fringe benefits tax. The purpose of this schedule is to rectify an incongruity in the fringe benefits tax law around the term ‘otherwise deductible’. The anomaly gave rise to salary-sacrificing opportunities in relation to investment properties held jointly by an employee and their associates. The effect of the ‘otherwise deductible’ rule was to reduce the fringe benefits tax liability of the individual salary sacrificing to nil as the benefit, such as the interest charged, is associated with an income-earning asset and would be fully tax deductible. The end result of this is that an employee would effectively receive a 100 per cent tax deduction for the rental expenses despite owning only half of the asset. Schedule 4 of this bill removes this anomaly and improves the fairness and integrity of the FBT system.

Schedule 5 of the bill deals with the operation of managed funds. In February this year the government asked the Board of Taxation to review the taxation arrangements applying to managed investment trusts to enhance the international competitiveness of the Australian funds management industry. Pending the outcome of this review, the government announced some interim reforms to streamline and simplify the operation of division 6C of the Income Tax Assessment Act 1936 in the 2008-09 budget. Schedule 5 implements part of this announcement and is part of the government’s strategy to make Australia a funds management hub in the Asia-Pacific region. With the global financial crisis severely hitting the equity markets and the funds management industry, it is vital that we support the most competitive Australian funds management industry that is possible. This is not only to ensure the sustainability of the managed funds industry right now, but also to put Australia in an excellent position when the global financial market bounces back. It is worth noting that the funds management industry in Australia operates within a sound prudential regulation environment, something which, in the current circumstances and with the international experience, is extremely important to encourage.

The amendments contained in schedule 5 have the following effect: firstly, to clarify the scope and meaning of investment in land for the purpose of deriving rent; secondly, to introduce a 25 per cent safe harbour allowance for non-rental, non-trading income from investments in land; thirdly, to expand the range of financial instruments that a managed fund may invest in or trade; and, fourthly, to provide a two per cent safe harbour allowance at the whole-of-trust level for other non-trading income. These amend-
ments are important interim reforms to division 6C and will modernise and clarify the eligible investment business rules to lower compliance costs for managed investment trusts. That is an extremely important initiative.

Notwithstanding the current crisis in global financial markets, the government is committed to transforming Australia into a funds management hub for the Asia-Pacific region. We must put in place the foundations for the industry to thrive once the current situation normalises. Thanks in significant part to the reforms of the last Labor government, Australia now has the fourth-largest onshore managed fund market in the world. In 2007 Australia had $1.36 trillion in consolidated funds under management, including $128 billion in Australian property trusts. Last year the finance sector was in fact the third-largest industry in the Australian economy behind manufacturing and property and business services, employing no fewer than 400,000 people and contributing $30 billion in tax revenue. Just imagine, had the reforms not been taken in the 1980s and 1990s to encourage the growth of the industry, the structure of the economy at this point in time and its vulnerability to the changes in the international marketplace that we are experiencing.

Lateral Economics estimated that the funds management industry in fact now constitutes over three per cent of GDP. Australia enjoys a very skilled financial services workforce; we are strategically placed in the Asian time zone, have a stable economic environment and, as I noted before, have put in place a well-respected regulatory regime. The attractiveness of that regulatory regime for investors coming out of the current global financial crisis should not be underestimated.

Beyond the current crisis, the biggest challenge is that less than three per cent of the fees derived by Australian managed funds are attributable to foreign investment. According to the Australian Bureau of Statistics, this ranks the financial sector as 27th out of 35 industries in terms of export performance—and clearly that is something that the government wishes to see improve. Earlier this year the government took steps, by reducing the withholding tax rate to 15 per cent, to make this more attractive as an investment option for foreign investment. The changes contained in schedule 5 of this bill will complement this and increase the competitiveness of the Australian managed funds industry. In my past experience as a superannuation trustee of a $30 billion fund and as a director of a bank, also with approximately $30 billion in funds under management and about half of that in wholesale funds management activity, I can attest to the importance of these initiatives and in particular to the importance of us making Australia a more attractive destination for foreign investment in the managed funds sector.

In conclusion, this bill, as I have indicated, contains five schedules: schedules 1, 2 and 4 are tax integrity measures, schedule 3 is a nation-building reform and schedule 5 will assist in growing the Australian managed funds industry. All of these changes are important, but they are not particularly controversial. The question has to be asked: why didn’t we see these reforms in the 12 years that the coalition occupied the treasury bench? Why did they not act to fix some of the obvious loopholes that I have referred to in the tax regime?

In contrast to that, this being the anniversary of the election of the Rudd Labor government, it is important to emphasise that the government has demonstrated its commitment to prudent fiscal policy and to ensuring that all Australians pay their fair share of taxes. As important as that is, our nation-building commitment and schedule 3 of this
bill will support our infrastructure investment by reducing borrowing costs for the state and territory governments, who are crucial partners in this agenda. Establishing Australia as the Asia-Pacific hub for the funds management industry was an election commitment of the government. The reforms contained within schedule 5, on top of the legislation that has been previously introduced to this House by the government touching on this issue, will contribute to this goal. For these reasons, I support and commend to the House the Tax Laws Amendment (2008 Measures No. 5) Bill 2008.

Mr ROBERT (Fadden) (12.35 pm)—I rise to address the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. This bill looks to address five areas of tax law. Firstly, schedule 1 looks to the operations of the GST margin scheme as it applies to sales and acquisitions of real property. It is important that the application of GST be as fair as possible, and that is why the coalition is supporting this schedule, which aims to remove a loophole from current legislation to ensure property developers are paying their fair share of GST revenue.

As it stands now, the way the margin scheme is currently operating allows for some manipulation that can dramatically decrease the level of GST payable on the transfer of real property. It is something the coalition had acknowledged as far back as the 2005 budget speech, when the then Treasurer, the member for Higgins, announced that the government would be working towards closing a range of loopholes that permitted manipulation by certain entities via elements of GST law, including the margin scheme, with the effect of reducing the GST payable on the transfer of real property. Once this problem was first raised, thankfully the changes were not rushed, and consultation and investigation were initiated to ensure there were no unintended consequences. That consultation was being finalised at the time of the 2007 federal election. There was concern that the changes could impact, without intention, other transactions that incur a GST liability. Yet, thanks to the extensive consultation from Treasury, the focus of schedule 1 of this bill is solely on real property, and the coalition is satisfied that there will be no further unintended consequence.

The coalition is also pleased to see that the retroactive elements previously announced by the Rudd government have been quite rightly abandoned. These measures will only apply to future transactions regarding real property dating from the date of royal assent, not property that is already purchased or subject to an option to purchase. The margin scheme is a method of calculating the GST payable on the sale of freehold interest in land, the sale of a stratum unit, and granting or selling a long-term lease. Normally GST is one-eleventh of the price of the supply. However, if the margin scheme is chosen to calculate the amount of GST payable for supplies of real property, the GST payable is one-eleventh of the margin for the supply. The margin for GST purposes is the difference between the purchase price and the sale price. This schedule disallows a practice that saw some manipulation of the margin scheme to reduce consequential GST liabilities.

Schedule 2 ensures the correct operation of Australian equivalents to International Financial Reporting Standards adopted in 2005 under the previous, Howard government. The adherence to the IFRS is important to ensure correct information in international markets and of course to prevent global fraud. One of the key definitions is that of 'thin capitalisation', which is defined as the difference between a firm whose debt to equity ratio shows greater levels of debt than equity. The change being made to
schedule 2 will be of interest to both those bearing the solvency risk of any firm and of course the Australian Taxation Office. A highly geared firm has the potential to use interest payments to reduce its tax liabilities dramatically. This change will amend the levels of debt allowed to be used as deductions. It will also close the gap between whether it is more profitable to use equity or debt to fund expansion of a business.

Further, schedule 3 amends section 128F of the Income Tax Assessment Act 1936 to provide an exemption from interest withholding tax to bonds issued in Australia by state and territory government authorities. This addresses anomalies in the state and territory bond markets. Interest withholding tax is paid at the rate of 10 per cent on interest paid from Australia to nonresidents overseas. The section of the Income Tax Assessment Act in question gives an exemption to the issuers of debentures or certain other debt instruments if issued outside Australia and dates back to changes to the act made in 1999. These exemptions did not apply to state and territory governments and the changes in schedule 3 seek to rectify this situation. As it stands now, there is a benefit for the state and territory governments to issue bonds offshore rather than raise capital within Australian borders, taking the example of the exemption for issuers outside of Australia.

Schedule 3 will amend the interest withholding tax exemption to include bonds issued within Australia and should increase liquidity and reduce the cost of borrowing for state and territory governments, which I suggest is a good thing, considering the cost of borrowing for state governments has just risen substantially and the ill-conceived unlimited bank guarantee and wholesale funding guarantee announced by the Rudd government. This has effectively made federal government bonds more attractive because they come with a full government guarantee as opposed to state government bonds, which do not come with any guarantees and are therefore less attractive. In a market, that will lead to a higher cost of borrowing for the states. As so many of our state governments move towards deficit budgets—and indeed as this federal government moves towards deficit budgets if Access Economics is to be believed today—it is an understandable consideration. The amount of state government budget debt is currently approaching $80 billion. In my state of Queensland, debt is approaching $30 billion. Interest payments are currently $5 million a day and rapidly increasing to $10 million a day, which the people of Queensland have to pay because of the Queensland Labor government.

Schedule 4 of the bill addresses the treatment of jointly held assets by fringe benefits tax. Currently, employers can use the ‘otherwise deductible’ rule when calculating their FBT liability to reduce the figure to nil when applying a fringe benefit to both an employee and their associate, be they a business partner, husband or wife. This is clearly unintended and it is right to have the situation addressed. This issue arose after the Federal Court ruling on National Australia Bank v FC of T93 where a husband and wife were receiving low-interest loans from the NAB as a fringe benefit and, as the ruling determined the husband was the sole recipient of the fringe benefit and was entitled to claim tax deductions on unreimbursed interest on the loan, the FBT liability for the NAB could be reduced to zero under the ‘otherwise deductible’ rule. This raised several inconsistencies with other legislation and indeed the intent of the use of the rule. Under the proposed legislation, an employer must adjust the taxable value of a fringe benefit provided jointly in relation to an income-earning asset jointly owned by an employee.
and their associate, so the taxable value of the fringe benefit is reduced only by the employee’s percentage of interest in the asset. The ‘otherwise deductible’ rule will be changed to reflect the situation that is desired.

Finally, schedule 5 changes the eligible business rules for managed investment funds. The measures, of course subject to certain conditions, include a definition of the term ‘investing in land’ to include fixtures, chattels and movable property. The schedule also expands the range of financial instruments in which a managed investment trust can invest, whilst also introducing the following safe harbours: a two per cent safe harbour for non-trading income set at a whole-of-trust level; and a 25 per cent safe harbour for non-rental, non-trading income from investments in land, for public unit trusts investing in land or for the purpose of deriving rent. The Board of Taxation is currently conducting a review of tax arrangements applying to managed funds that operate as managed investment trusts, and the operation of division 6C is included in this review which the board is due to deliver by the middle of 2009.

Whilst the former, coalition government identified the need for action in these areas and maintained in-principle support for integrity measures, legislative action was delayed so that further consultations could be undertaken in recognition of the implications for the property sector. The Senate Standing Committee on Economics is best placed to identify any unintended consequences of the amendments and to further examine the effect on the property sector and housing affordability generally, given that the proposal expects to raise $523 million over the forward estimates.

Mr BRADBURY (Lindsay) (12.44 pm)— I rise in support of the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. I wish to comment on the schedules contained therein and, in particular, I would like to focus my comments on schedules 4 and 5, which relate to the fringe benefits tax amendments in respect of jointly held assets and the amendments in relation to managed investment trusts.

It is worth acknowledging that the first schedule to the bill is largely an integrity measure and addresses one of the shortcomings of the current operation of the goods and services tax law. In particular, it deals with the margin scheme, a very important component of the GST law that recognises the need to tax only incremental gains in relation to real property rather than imposing the added tax burden of a tax on the entire property at each stage of the disposal process along what is inevitably a chain of disposals. The schedule deals with the interaction between the margin scheme and the GST-free provisions in relation to the sale of a business as a going concern and also GST-free sales of farmland. It also involves the interaction of the provisions dealing with suppliers between associated entities.

The way in which the law has operated has given rise to a situation where some taxpayers have been able to not realise a GST liability throughout the process of the development of land. Largely, that has occurred by allowing an increase in the value of the land to occur but not to be brought to account in GST terms as a result of using these GST provisions in relation to the sale of a going concern or the GST-free sale of farmland. This measure will ensure that for taxpayers in like situations, regardless of whether or not they seek to take advantage of a going concern in farmland provisions or alternatively the associated entities provisions, like treatment will be attributed as would normally be the case for any other taxpayer utilising the margin scheme. It is a measure that
will yield some revenue for the government, but it is a measure that is largely one of equity and integrity to make sure that like taxpayers are treated equally.

In relation to schedule 2 and the changes proposed to the thin capitalisation regime, it is worth noting that, with the introduction of the Australian equivalent of the International Financial Reporting Standards, there were some implications that flowed through to the thin capitalisation regime. It is important for us to recognise that there is some benefit in allowing a departure from the accounting standards in order to better reflect the factors that the government believes should be taken into account when determining the extent to which the thin capitalisation regime should apply. Thin capitalisation is the means by which, in the case of excessive leveraging—excessive use of debt through investments by multinationals—the interest deductions available can be reduced, therefore ensuring that companies do not unduly and disproportionately have a greater proportion of debt rather than equity in the investments that are operating within Australia. Obviously, allowing a greater proportion of investment to be debt funded allows greater deductions for interest expenses, and that comes at a cost to revenue. These measures largely take into account changes that are precipitated by monitoring the operation of the Australian equivalent of the International Financial Reporting Standards.

The interest withholding tax provisions seek to extend an exemption that is currently provided in respect of withholding tax on interest payments to state and territory government bonds. Contrary to what the member for Fadden may have been trying to suggest, this is in no way connected with the government’s guarantee for both retail deposits and wholesale term funding. I am not really sure what argument the member was seeking to make there, but there is clearly no connection between the government’s decision to introduce the guarantees and the need for this particular initiative. In fact, if we go back and have a look at the genesis of this particular proposal, it was announced by the Treasurer back in May of this year at the same time the Treasurer announced the Commonwealth’s commitment to increase Commonwealth government securities on offer. This was a measure that was undertaken well and truly in advance of any of those more recent measures. Let it be put on the record that the suggestion made by the member for Fadden that somehow this is a response to those imperatives is clearly not correct and does not stand up to more thorough examination.

That brings us to schedule 4 and the fringe benefits tax in relation to benefits jointly held. These amendments address an area of the law that has been open for exploitation and close a loophole in relation to section 138(3) of the Fringe Benefits Tax Assessment Act which deems a benefit provided jointly to an employee and one or more associates of the employee to be provided solely to the employee. There is an interaction between that provision and the ‘otherwise deductible’ provision which is prevalent throughout the FBT regime.

Clearly, this has given rise to a situation where some individual employees have entered into salary-sacrificing arrangements and have purchased an investment property jointly with a partner or a spouse. They have used pre-tax dollars through that salary-sacrificing arrangement to cover the costs of the interest expenses that have been incurred in relation to the borrowings on the investment property. Those interest expenses would otherwise be deductible because they are expenses incurred in the course of producing assessable income in the form of rental income derived from the investment property. In establishing that, they bring
themselves within the 'otherwise deductible' rule.

That should be viewed in parallel with section 138(3), which provides that a benefit provided jointly to an employee will be for the purposes of fringe benefits tax considered to be a benefit provided solely to that employee. The effect of this is that the employee under such an arrangement is able to obtain the benefit of the salary-sacrificing arrangement so as to claim in effect a 100 per cent deduction for the interest expense that has been incurred in respect of the investment property. Clearly, in the scenario where employees have not taken advantage of this loophole, that interest expense would need to be apportioned and, in a joint tenancy arrangement, a deduction would only be available for 50 per cent of the interest expense. So this measure will go a long way towards plugging that hole. Once again, as with the other measures in this bill, it will provide for greater equity between taxpayers in relation to how in this case the fringe benefits tax impacts upon them and their taxation affairs.

I now turn to schedule 5. This is the schedule in the bill that is of greatest interest to me. This is a further instalment in the government’s attempts to establish Australia as a regional financial services hub. I know it was said previously by one speaker in this debate that one can only ask why it has taken so long for these measures to be implemented. That is a valid question to ask, and one to which I have not heard a satisfactory response. Division 6C of the Income Tax Assessment Act 1936 is one area of the law which has for a very long time needed some close attention and reform. That is why this government is committed to achieving that reform. The measures proposed in this bill are only one instalment in achieving that reform. The Board of Taxation is currently undertaking a review of division 6C. A discussion paper for the purposes of consultation has been released. I know that industry is being widely consulted to ensure that the outcome of that process achieves wide-ranging reform in relation to the impact of division 6C.

Division 6C was introduced back in 1985. It was designed to ensure that public unit trusts carrying on active business activities would be taxed in the same way as a company. It was essentially a regime that was created to ensure that, rather than taxation treatment being determined purely by the legal entity involved in the economic activity, there would be closer analysis of the underlying economic realities of the business being carried on by that entity. So just because it is a trust need not mean that it should receive the beneficial tax treatment that a trust might receive in many respects over a company.

As a result of the introduction of division 6C we saw a system emerge which allowed the characterisation of certain trusts as 'public trading trusts’. If a trust were determined to be a public trading trust, the trust would then be taxed in the same way as a company, recognising the underlying economic realities that it was undertaking business activities probably in competition with other companies in the marketplace that would be taxed accordingly. Provided that it is a widely held trust—and that is an important requirement—and it is a trust that is involved in passive investments then the trust may avoid being characterised as a public trading trust and as a result will not attract the company taxation treatment that would otherwise apply to a public trading trust.

The income of a unit trust that in relation to a year of income meets the tests to become a public trading trust will be taxed at the company rate of 30 per cent. To avoid becoming a public trading trust in a year, a
public trust must engage only or wholly in eligible investment business for that year. Section 102M of the act defines ‘eligible investment business’. Much of the need for reform of this division relates to the definition and the provisions set out in section 102M of the act. ‘Eligible investment business’ is defined to mean either or both of (a) investing in land for the purpose, or primarily for the purpose, of deriving rent or (b) investing or trading in any or all of the range of securities and instruments that are set out in the act.

The first limb in relation to investing in land has been a problematic area of the law for some time. The provisions set out in this bill will go a long way towards addressing those problems. I turn to some of the commentary in the industry consultation paper released by Treasury entitled ‘Potential changes to the eligible investment rules for managed funds, including property trusts’.

Under the heading ‘Concerns of industry’, it says:

The current operation of Division 6C can create difficulties for real estate investment trusts due to inherent uncertainties and ambiguities in the law, and because the law has not kept pace with commercial developments in property trusts since the 1980s.

There is some uncertainty about what constitutes ‘eligible investment business’ (EIB), which consists solely of investing in land for the purpose, or primarily for the purpose, of deriving rent, or of investing or trading in a range of financial securities and instruments listed in its provisions, or any combination of these activities. Industry is concerned that the definition of EIB is not clear and is too narrowly defined.

That is certainly a legitimate concern expressed in that Treasury document on behalf of industry, but this is something that I know many people within the sector have pointed to for a long time. One piece of evidence to support that proposition is one of the interpretive decisions handed down by the Australian Taxation Office back in 2003: ATO ID 2003/73. In that particular interpretive decision, the issue in question was:

Is a resident unit trust deriving income from rent and the provision of secretarial services, a ‘trading trust’ for the purposes of section 102N of Division 6C of the Income Tax Assessment Act 1936 (ITAA 1936)?

The answer to that was ‘Yes, it is.’ In this particular case, the facts that were provided in the interpretive decision indicated that it was a resident unit trust carrying on a business which constituted leasing of premises from a third party, providing these premises as fitted out premises for rent and providing secretarial services to tenants of these premises. The trust derived its income from renting the premises and from the provision of those secretarial services to the tenants. The income derived from the provision of the secretarial services to tenants represented approximately 25 per cent of the total income derived by the trust each year.

It was on the basis of this 25 per cent of overall income figure that the commissioner, through the interpretive decision, held that the trust was carrying on a trading business and was therefore to be characterised as a public trading trust. That gave rise to considerable uncertainty within the industry and did not really clarify the position in relation to what eligible investment business was other than to suggest that secretarial services accounting for 25 per cent of overall gross income of a trust would therefore tip it over the limit and make it a public trading trust.

That begged the question: how much income of an incidental nature to the rental purpose of the particular property would be permitted? Clearly, those secretarial services were deemed to be incidental but they were of a scale that seemed to tip it over the limit. It raised the question of what an appropriate limit would be. I am very pleased to see in the proposals contained within the bill before
the House that there is the introduction of a new safe-harbour limit, which goes a very long way towards addressing this particular concern.

The safe-harbour rule, which is proposed in clause 102MB(2), reads:

For the purposes of this Division, an entity’s investments in land are taken to be for the purpose, or primarily for the purpose, of deriving rent during a year of income if:

(a) each of those investments is for purposes (other than the purpose of trading) that include a purpose of deriving rent; and
(b) at least 75% of the gross revenue from those investments for the year of income consists of rent (except excluded rent); and
(c) none of the remaining gross revenue from those investments for the year of income is:
   (i) excluded rent; or
   (ii) from the carrying on of a business that is not incidental and relevant to the renting of the land.

There is this nexus with the revenue being incidental to the renting of the land, but there is also this new notion of excluded rent which has been introduced into the regime. Excluded rent is defined elsewhere in the bill to include those particular profit based formulas that might be rent in name but in form something more akin to a profit based formulation. This is very much in keeping with the philosophy of what division 6C is intending to achieve—that is, some equity between various entities, whatever their legal forms, based on a recognition of the economic realities that underpin them.

These measures will go a very long way. They are only interim measures but combined with the ongoing commitment to consultation and delivering a radically reformed division 6C, this government will be able to move one step closer towards achieving its goal of setting up Australia as a regional hub for financial services. This is something that we are well placed to do and now, with these amendments to the law, we will be even better placed to achieve.

Mr LAMING (Bowman) (1.04 pm)—In supporting these five unrelated and relatively non-controversial amendments, I would like to add some comments to each of the parts of the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. Just to recap, of those five measures before the House, schedule 1 seeks to amend A New Tax System—the GST act from 1999—to overcome tax minimisation that had been occurring involving the use of margin schemes and the sale of real property. Effectively, schedule 1 is a tax integrity measure and the savings, which are significant, have been outlined in the papers presented. Schedule 1 also seeks to align the anti-avoidance provisions in the GST act with the anti-avoidance provisions in the Income Tax Assessment Act 1936.

Schedule 2 seeks to effect changes to the thin capitalisation regime in Australian tax law to recognise changes that occurred with the Australian Accounting Standards when we adopted the Australian equivalents to the IFRS in 2005. Schedule 3 seeks to extend the interest withholding tax exemption to state and territory government bonds to bring about a better functioning of those state and territory bond markets. Schedule 4 will ensure that the full value of the benefit that is being provided to an employee and an associate in relation to jointly held assets will be subject to FBT. That is, essentially, a tax integrity measure. Schedule 5 is seeking changes to the eligible business investment rules in division 6C of the Income Tax Assessment Act 1936, to remove impediments to commercial practice in respect of public unit trusts. That is a change to help grow the managed fund industry.

I will address each of those in order, and most of my focus will be on schedule 1. This
is an integrity measure that has already been proposed in the budget papers and pertains to the sale of real property. It is directed at ensuring that interactions between a number of provisions in GST law do not allow real property transactions to be structured in a way that enables those involved to reduce their GST liability using a margin scheme.

To give you an overview of that, division 75 of the A New Tax System (Goods and Services Tax) Act 1999 allows an entity to use the margin scheme to bring within the GST system the entity’s real property—that is, its supply of freehold interests in land, of stratum units or of long-term leases. It is that subsection that provides that the margin scheme can only apply if the supplier and the recipient have both agreed that the margin scheme should apply. There is the potential to avoid the paying of GST because it is only paid on the margin, which is the difference between the purchase and the sale price of a property. People can obviously learn more about this, but this is effectively a GST integrity measure. The savings have also been spelt out over the forward estimates as being in excess of $400 million a year—so, not an insignificant amount.

I also wanted to refer to the fact that the amendments are intended to make sure that the going concern, farmland and associate provisions under the margin scheme are not used in a way that allows property sales to be structured so that GST does not apply after 1 July 2000. That is a very important change. There are a couple of items I want to draw the House’s attention to, such as the insertion of references to ‘supply of real property’—in particular, where real property was acquired by the supplier from an entity as part of the supply of a going concern that was originally GST free, where the supplier was registered or required to be registered at the time of the acquisition and where the supplier had acquired the real property through a taxable supply on which the GST was worked out without applying the margin scheme. It is that last condition that ensures that the supply of real property that was ineligible for the margin scheme previously—because it was acquired as a going concern which was GST free—does not suddenly become eligible for the margin scheme subsequently. The other two elements of these changes pertain to the acquisition of farmland under particular conditions and also the acquisition from an associate under certain conditions. They have been spelt out, but, in short, they ensure that the supply of real property that was ineligible for the margin scheme previously does not become so subsequently.

Now, margins for the supply of real property that is acquired through several acquisitions are also important because, under current law, an entity that acquires real property and subsequently can sell it under the margin scheme is only paying GST on the value the entity has added, and the value added by that entity that has acquired the real property is not subject to GST. That is what will change with the implementation of this amendment. In addition, GST and its anti-avoidance provisions are strengthened by the anti-avoidance element of the bill, and the division is aimed at artificial or contrived schemes that give entities benefits that allow them to reduce their GST to increase refunds or to alter the timing of the payment of their GST or refunds. Division 165 of the GST act is not intended to apply where parties merely take advantage of concessions such as the margin scheme.

Schedule 2 refers to thin capitalisation, and this dates back to announcements made by the Treasurer and the Assistant Treasurer earlier this year. Division 820 of Income Tax Assessment Act 1997 sets out the rules of thin capitalisation and applies to foreign controlled Australian entities, Australian entities that operate internationally and foreign enti-
ties that operate in Australia. The object of that division is to ensure that these entities do not reduce their Australian tax liabilities by using an excessive amount of debt capital by paying large amounts of interest to both finance their operations in Australia and reduce their tax obligations. Financing expenses that an entity can otherwise deduct from assessable income—highly geared investments with high levels of interest are an example—may be disallowed under division 820 under certain circumstances when the entity is thinly capitalised. If an entity is not an authorised deposit-taking institution—referred to as an ADI—for the purposes of the Banking Act and the entity’s debt exceeds the prescribed level, the entity is effectively ‘thinly capitalised’.

The Bills Digest sets out the rules for authorised deposit-taking institutions and the proposed subsections that are relevant to those rules. Some subsections under the ITAA Act require compliance with accounting standards in relation to the recognition of assets and liabilities of an entity, so in the bill under division 820 there are insertions to modify the application of accounting standards in the recognition of deferred tax assets and deferred tax liabilities. There is a proposed subsection that provides that an entity must not recognise deferred tax liabilities and deferred tax assets for the purposes of division 820 in working out the application of thin capitalisation rules. Certain Australian accounting standards would have otherwise required the recognition of these deferred tax liabilities and deferred tax assets.

Another subsection under division 820 of the ITAA Act defines an outward investing ADI and an inward investing ADI. It is an outward investing ADI if it controls one or more foreign entities, whether or not that entity is controlled by foreign interests; if it has a permanent establishment overseas; and if it is an Australian entity or an associate of another entity that is an outward investing. The expression ‘inward investing ADI’ applies if the entity is a foreign bank that carries on its business in Australia at or through one of its Australian permanent establishments.

A number of proposed subsections under division 820 pertain to the recognition of internally generated intangible assets. They provide that an entity may choose to recognise an internally generated asset where its recognition is precluded by Australian accounting standard 138. It also applies to internally generated intangible assets, other than internally generated goodwill, that cannot be recognised under accounting standard 138. These include internally generated brands, mastheads, customer lists and other items that appear in the fine detail of that accounting standard, at paragraph 63.

An entity can also revalue certain intangible assets. Another proposed subsection provides that, notwithstanding the prohibition in Australian accounting standard 138 from revaluing certain intangible assets, an entity may choose to do so, and it provides that the choice is not available to an entity that is an outward investing ADI or an inward investing ADI. The financial implications of this schedule are not clear; they are described as ‘unquantifiable’.

Schedule 3 of this tax laws amendment bill refers to IWT, interest withholding tax, and state government bonds. Interest withholding tax is currently deductible under section 128B(2) of the Income Tax Assessment Act where interest is payable by a resident to a nonresident unless an exemption applies. That is imposed under the Income Tax (Dividends, Interest and Royalties Withholding Tax) Act 1974 at a flat rate of 10 per cent of the gross amount of interest paid unless a different rate is specified.
The possible exemption of government securities from interest withholding tax goes back in discussions as far as the Ralph review in 1999, which said:

In the context of the revenue neutrality constraint applying to its recommendations, the Review does not consider extending IWT exemption of sufficient priority to recommend the exemption.

The financial impact to this schedule is also a $64 million shortfall over the forward estimates.

The background to schedule 4 and the fringe benefits tax changes also deserve some mention. Currently, subsection 138 of the Fringe Benefits Tax Assessment Act 1986 provides that, for the purpose of the act, where an employer provides a benefit jointly to an employee and one or more associates of the employee, the benefit is deemed to be provided only to the employee. As has already been referred to by the member for Fadden when he spoke earlier in this debate, the anomaly has been caused by the Federal Court decision in the NAB case on the interaction of low-interest loans being provided to one of the parties. The operation of that subsection and the otherwise deductible rule was considered by the Federal Court. In that case, an employer provided low-interest loans jointly to an employee husband and to his wife which were invested jointly in a loan fringe benefit investment property. The Federal Court held that, as a result of this subsection, the employee was the sole recipient of the loan fringe benefit, hence the need for schedule 4 being brought to the parliament today. The court further held that, as the sole recipient of the loan and the sole investor of the proceeds, if the employee husband had incurred and paid unreimbursed interest on the loan he would have been entitled to a deduction for that expense. Thus, under the otherwise deductible rule of section 19, the taxable value of the loan fringe benefit was reduced to nil so that the employer had no FBT liability arising from that fringe benefit.

The last schedule, schedule 5, makes a change to the eligible investment business rules contained in division 6 as they apply to managed investment funds. The measures of this schedule, subject to certain conditions, include a definition of the term ‘investing in land’ to include fixtures, chattels and movable property. The schedule also expands the range of financial instruments in which a managed investment trust can invest from the current specified investments that are listed in division 6C. The schedule introduces a number of safe harbours: a two per cent safe harbour for non-trading income set as a whole-of-trust level, and a 25 per cent safe harbour for non-rental, non-trading income from investments in land for public unit trusts investing in land for the purpose of deriving rent.

I think it is also pertinent to make reference to some recent debate regarding schedule 1 and the integrity measures that have been brought to parliament today regarding the sale of real property. There have been concerns raised by one group in particular regarding the potential impact of these GST changes on housing affordability, predominantly because of the concern that significant impacts may occur in the future costs of housing developments as a result of what is in effect potentially an increased tax on new housing developments which can only be passed on to homebuyers through higher prices. These exemptions have not been applied to all land transactions, so it is difficult to estimate the percentage of development projects that would be affected by the changes we are debating today. But as the UDIA pointed out, major developers have calculated the cost impact of the measure and fear that it ranges from $4,800 per lot for a mixed townhouse and land development up
to as much as $11,000 per lot on an infill development.

Of course, since that submission was made by the UDIA there have been further changes to the first home owners grant. On the other hand, we have had views from Treasury as well as to what the net impact may well be on housing prices. Treasury’s view was that they did not expect the GST integrity measures to have a significant impact on housing prices. Treasury commented that the housing industry is ‘currently experiencing difficult conditions’, with falls in construction approvals by 8.6 per cent over the year to August 2008 and 16.7 per cent since they peaked last November. But they went on to say:

Nonetheless, the downturn has so far been relatively moderate by past standards. Approvals remain around 20 per cent above the troughs that have been reached in previous housing downturns.

Also since the submission was made, there has been the full effect of the Reserve Bank changes in cash rates, to seven per cent in October 2008, with other changes forecast. And there are further complexities to calculating what the impact will be on borrowers from the commercial banks’ forecasted falls in interest rates in the future and the impact that that will have on home loan affordability. One would expect that this would improve the situation. In addition, the increase in the first home owners grant is also likely to counter the measures that are being discussed today. So it can be concluded that, while there are some disincentives at the level of new development because of the impact on that of the GST integrity measures, that may well be counterbalanced by other changes that are occurring in the economy at the moment. We are also mindful of Treasury’s submission in that regard.

What is important is that the unintended tax minimisation opportunities had to be addressed. Had they not been, there would have been continuing distortions in GST treatment between entities that structure their activities to take advantage of deficiencies in the law and those that do not operate in that way. Further, if they had not been addressed, these opportunities would have been expected to be increasingly taken up by entities in the property development sector, which would represent a significant and growing risk to revenue. The integrity measures for GST and the sale of real property will ensure that GST is always collected in the way that it was intended to be. We certainly hope it will not have a significant negative impact on housing affordability. It would be a major concern if that were to happen. I think those concerns have been allayed.

We also note that the Board of Taxation is currently conducting a review of tax arrangements that apply to managed funds that operate as managed investment trusts. We are looking forward to seeing that report in mid-2009 and, on a broader level, the Henry review of taxation, which will come at a similar time. This bill has been considered by the Senate Standing Committee on Economics, having been referred to the committee by Senator Coonan. The standing committee is obviously well placed to consider the impacts of these measures. The committee held a hearing on 28 October and received a number of submissions, and it reported as recently as three weeks ago. With those issues having been considered by the committee best placed to examine them, I commend the bill to the House and the schedules contained herein.

Mr BIDGOOD (Dawson) (1.22 pm)—I rise to speak to the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. The Tax Laws Amendment (2008 Measures No. 5) Bill 2008 will extend eligibility for exemption from interest withholding tax to bonds issued in Australia by state and territory cen-
ternal borrowing authorities. This measure in
the bill is part of a broader suite of govern-
ment initiatives aimed at bolstering Aus-
tralia’s financial markets. This measure was
part of a broader package of measures an-
nounced by the government to strengthen
Australia’s financial markets in the face of
current pressures. Industry expects this
measure will be in effect before the end of
2008. The bill will insert new subsection
128F(5B) into the Income Tax Assessment
Act 1936 to enable bonds issued in Australia
by state and territory central borrowing au-
thorities to be eligible for exemption from
interest withholding tax, providing the bond
issue satisfies the requirements of the public
offer test.

For the purposes of the new subsection
128F(5B), ‘bond’ is defined as including
debenture stock and notes. Defining bond in
this way will provide greater certainty to
market participants and ensure that it is not
interpreted in a manner that would hamper
the effective operation of this measure. Re-
moving IWT is expected to result in the
states unifying their bond issuances into one
pool of funds, thereby improving depth and
liquidity in the market and broadening the
potential investor base. Ultimately, this
should lead to a lower cost of capital and
hence financing cost for state infrastructure
projects.

Further, it is anticipated that by making
state government bonds more attractive to
foreign investors some of the pressures fac-
ing the Commonwealth government securi-
ties—otherwise known as CGS—in this
market will be eased. The bill also amends
the eligible investment business rules and
division 6C of the Income Tax Assessment
Act 1936. It is a government priority to make
Australia a funds management hub in the
Asia-Pacific region by streamlining and sim-
pifying the operation of the eligible invest-
ment business rules in division 6C. This is a
key part of the government’s plan to bolster
the Australian economy.

Labor is about building the economy,
building infrastructure and creating jobs. We
are making the decisions now to keep the
economy strong. The Rudd Labor govern-
ment is tackling the global financial crisis.
Through this bill and others, we are provid-
ing leadership while those opposite seek only
to oppose for the sake of it and to take the
focus away from a leader who has vision.
They are taking cheap shots during a time of
economic priority for the nation. On this
side are taking leadership. We are managing
the economy to see us through difficult eco-
nomic times.

We have shown leadership by releasing an
economic security package worth $10.4 bil-
lion, money that will be invested into the
economy. We will, on 8 December, issue
$1,400 to every single aged pensioner and
$2,100 to every aged pensioner couple. This
money is much needed by our aged citizens
and this money is being released direct as a
lump sum so as to avoid the complications
for those who are in aged care homes where
certain contracts provide that up to a maxi-
mum of 85 per cent could be withheld by the
business running those homes. By giving it
directly to the individuals and to the couples,
we empower our aged citizens to have 100
per cent of that money, thereby enabling
them to spend all of that money as and how
they choose. What more appropriate time
than just before Christmas?

I am sure it is going to bring much cheer
to our elderly folk in this country and to their
families that our aged citizens will be able to
afford to buy Christmas presents for their
loved ones and that they will be able to fix
those little things around the house which
perhaps up until recently it has been impos-
sible to find the money for. This empower-
ment by this government gives to the people
who really need the money, and what more appropriate time than at Christmas time?

In this $10.4 billion economic package we have also addressed our younger citizens—those who are leaving home, leaving university and, for the first time, wish to enter the housing market. We are enabling first-time home buyers who are buying an already constructed home an increased incentive from $7,000 to $14,000 to encourage our young people and first home buyers to enter into the great Australian dream of owning their own home. This is something which we on this side see as a priority, empowering young people to purchase a home and to have control and ownership over their own destiny in terms of accommodation, and we are doing our bit to help facilitate that.

We also wish to stimulate new construction in the housing market. With this in mind, this government has again shown leadership. We have decided to give an incentive of $21,000 to each person buying a newly constructed home or a home under construction as an incentive to buy new homes. This in itself helps add to the housing stock of the nation. People going into a newly constructed home free up other accommodation, whether it be rented or whether it be something that has already been owned. In effect this helps stimulate new homes being constructed and frees up current stock. The sum of $21,000 is certainly a big incentive to get started on a new home construction.

As part of this $10.4 billion economic stimulus package is a package designed to create an extra 56,000 training places. That is 56,000 on top of the 50,000 training places already allocated in the budget of May 2008. It is one thing to want to build new homes, it is one thing to stimulate the economy, but we also need a well-skilled, well-trained, well-educated workforce in the trades and in the professions in order to help construct the new homes and the new economy we are building. To double the number of training places is indeed an investment in the future not only of the nation’s economy but also in the capital asset base of people’s skills in this nation. What greater way to do that than to teach someone a trade or a profession and to move them in a new direction?

As part of our $10.4 billion package we know that it is important that people take hold of these stimuli and actually go into the marketplace to take action: to invest in homes; to take up the new training places; and for the elderly to use that money wisely to do whatever they wish, and that in itself will keep business rolling. This all comes with the backdrop of a two per cent drop in interest rates due to the global financial circumstances, which in itself will help people who are paying their mortgages. This is a substantial saving for the people of this nation. When you put this against the backdrop of the tax cuts that were brought forward on 1 July from the budget in May 2008, you will see that someone on a very minimum average wage of $50,000 a year has $20 a week cash in their hand to spend however they wish. That is an extra $20 note in the hand to put food on the table, petrol in the car, help with the kids clothing or whatever it is they choose to do with it. Twenty dollars a week cash in the hand to someone on $50,000 a year is a helping hand. The role of a Labor government is to help those in greatest need. It has always been my philosophy in politics that we should bring about the greatest benefit to the greatest number of people, especially those with the greatest need. Our tax measures and our stimulus to the economy have helped do that.

I know that bringing forward infrastructure spending is going to be a major stimulus to our local governments in providing basic, much-needed road infrastructure, particularly
in my seat of Dawson, where this government has committed, I am proud to say, $150 million on the Bruce Highway from Mackay through to Townsville. That is something that the people of Dawson have been crying out about for years and years and years. And yet their cries were not answered—or perhaps it was chosen that they not be heard. But this government has said: ‘Yes, we will deliver basic road infrastructure for the people of Dawson, particularly on the Bruce Highway.’ Not only that but this government has committed to a major infrastructure project in southern Townsville on the port access road. I was very pleased to accompany the Prime Minister, Kevin Rudd; the Minister for Infrastructure, Transport, Regional Development and Local Government, Anthony Albanese; the state minister for infrastructure, Warren Pitt; and local representatives from the Townsville City Council in turning the first sod a couple of months ago in this $95 million project.

That project has been on the table for over 30 years. For over 30 years, the Townsville enterprise committee had been calling for action to build this port access road to streamline the movements of goods and services from out west to the port and thereby bypass the urban area and improve everybody’s quality of life, as well as improving efficiency in delivery of those goods and services to the port of Townsville. It was this government that delivered for the people of Dawson in southern Townsville. It was this government that said: ‘Yes, we can see the long-term benefit not only to the locality but to the bottom line of the nation’s economy, because we have a big vision that is not short-termism. We have a vision that looks down the corridor of time and sees the benefit of investing massively in major infrastructure now so that future generations can benefit from the long-lasting roads, rail, ports and services.’ This all comes through a political determination to invest, and we are investing in the future economy and future infrastructure and helping to stimulate the economy through these difficult global financial times.

It is pleasing to know that this nation can stand proud amongst our global leaders and competitors in saying that we have the fourth best regulated banking system in the world. No. 1 is Canada. I find it quite interesting from a demographic point of view that the demographics of Canada, with 30 million people and a large geographic landmass with a diverse mix, are just like those of Australia, with 20 million people, a large geographic mass, huge distances to travel from one community to another, different communities and an indigenous population, and that they, like us, have a banking system among the best regulated in the world, because we know that that is the way forward. I think we can take great pride in that.

I commend the way that this Treasurer, Wayne Swan, and this Prime Minister, Kevin Rudd, have handled the global economic crisis. It is with such leadership and such vision that we will walk with our heads held high saying that we did what was needed and what was right for these times. This taxation amendment brings forward very important measures which will enable, stimulate and encourage people to invest here in Australia, because there is a safe and sound banking system where they know their money will be safe in this country. So, without any further ado, I commend this bill to the House.

Mr ANDREWS (Menzies) (1.40 pm)—I was interested to note the previous speaker, the member for Dawson, encouraging Australians to spend and invest in the current circumstances. Of course, for that to occur there are at least two preconditions that most people would want to see: firstly, adequate regulation of the financial and, indeed, taxation systems, which the Tax Laws Amend-
ment (2008 Measures No. 5) Bill 2008 goes
to; and, secondly, competent economic man-
agement of the finances of the nation. In that
context, it is interesting to note that in the
past few weeks, far from having solved some
financial crisis, the current government has
actually created one by guaranteeing banks
but not other financial institutions, leading to
a run of funds from those other financial insti-
tutions to banks. Indeed, with many finan-
cial institutions around this country in which
Australians—elderly Australians in particu-
lar—have funds invested in a variety of
ways, they are finding that those deposits
have been frozen. It is hardly the mark of
economic competence in a government to
actually bring about a financial crisis where
none existed, so far as Australia was con-
cerned in this regard, in the first place.

The provisions in this bill, I suppose,
would be regarded by most Australians as
rather arcane, but given the events of the past
few weeks I suppose proper and appropriate
regulation is something which is ultimately
of importance to all of us in terms of the way
in which the taxation and financial systems
in Australia operate. We can see the prob-
lems that have occurred elsewhere around
the world without adequate regulation, par-
ticularly in the United States of America,
where the failure to regulate, for example,
the subprime mortgage market in a way
which did not occur here has contributed to
the problems in the United States, just as
other measures that have been taken over
quite a few years in that country, particularly
in saying to people who could not otherwise
afford loans that there were financial institu-
tions that should provide loans to them—
effectively without any equity or any real
means by which people could repay those
loans—have led to major problems so far as
the United States is concerned. Turning to
the provisions of this bill, these are measures
which in large part have their origin in work
commenced by the previous government, the
Howard government, but which, due to time
constraints with the election and the term
coming to its conclusion and in order to en-
sure that there was proper and adequate con-
sultation in relation to these measures, were
not introduced prior to the election just over
a year ago and which now are being intro-
duced.

There are five schedules that contain the
important provisions of this bill. Without
going into them in a huge amount of detail, I
will say something briefly about each of
those schedules. The first, schedule 1, as
other speakers have pointed out, is an integ-
rity measure which goes to matters relating
or pertaining to real property. It amends the
A New Tax System (Goods and Services
Tax) Act 1999. The object of the schedule is
to ensure that GST is applied to value added
after 1 July 2000 where there
is an interaction between the margin scheme
and the going concern, farmland and associ-
ates provisions. Schedule 1 makes changes to
the GST margin scheme to prevent equities
manipulating their affairs relating to real
property so as to reduce their GST liability.
The first aspect of this schedule ensures that
where the margin scheme is applied to real
property that was previously acquired on a
GST-free basis then the value added by the
time that made the GST-free sale is in-
cluded in calculating the GST payable under
the margin scheme. This is consistent with
the intent of the goods and services tax.

The second aspect of this schedule ensures
that where the eligibility to use the margin
scheme is removed the eligibility to use the
margin scheme cannot be reinstated by inter-
posing a GST-free or non-taxable sale. Cur-
rently, the eligibility to supply real property
under the margin scheme can be reinstated
by interposing a GST-free or non-taxable
supply. The third aspect strengthens the GST
general anti-avoidance provisions to apply to
schemes that are entered into with the sole or dominant purpose of gaining a GST benefit. This schedule was initiated under the coalition government and builds on the coalition’s strong record of demonstrated commitment to maintaining the integrity, the base and the operation of the GST. Indeed, in Australia, in terms of regulation of not only the taxation scheme in this country but the financial scheme, I think the situation we are in compared to, for example, that in the United States is very much a credit to the work that was done over the previous term of the Howard government in this country.

Turning to schedule 2, this schedule to the bill makes changes to the thin capitalisation regime provisions in division 820 of the Income Tax Assessment Act 1997. The object of this schedule is to make changes to the thin capitalisation position of complying entities for certain specific impacts due to the adoption of the Australian equivalence to International Financial Reporting Standards in 2005. Schedule 2 modifies the accounting standards treatment of specified assets and liabilities. The schedule amends the accounting standards relating to the thin capitalisation regime for identifying and valuing an entity’s assets, liabilities and equity capital. The measure was initiated by the adoption of the Australian equivalence to the International Financial Reporting Standards in 2005. The current form of this schedule is a result of extensive consultation with industry stakeholders, and there have been significant improvements since the exposure draft was initially released.

Schedule 3 to the bill amends section 128F of the Income Tax Assessment Act 1936. The object of this schedule is to provide an exemption from interest withholding tax for bonds issued by state and territory central borrowing authorities in Australia. Schedule 4 to the bill amends the Fringe Benefits Tax Benefits Assessment Act 1986. Schedule 4 affects the fringe benefits tax treatment of benefits jointly held by an employee and a third party. The requirement for these measures was brought about by a decision in the Federal Court in the case of the National Australia Bank Ltd and the Federal Commissioner of Taxation. The court ruled that an employer could reduce the entire taxable value of their fringe benefit provided jointly to an employee and third party, typically their partner, in relation to an income-earning asset. This was inconsistent with the general principles of income and deductions. The measures will require an employer to adjust the taxable value of the fringe benefit according to the proportion of the jointly held asset that the employee owns.

Finally, schedule 5 of the bill amends division 6C of the Income Tax Assessment Act 1936. The object of this schedule is to make changes to the eligible investment business rules for managed funds. The measures, subject to certain conditions, include a definition of the term ‘investing in land’ to include fixtures, chattels and moveable property. This schedule also expands the range of financial instruments in which a managed investment trust can invest. It also introduces a number of safe harbours, which I will not go into at this stage. The Board of Taxation is currently conducting a review of tax arrangements applying to managed funds that operate as managed investment funds, and division 6C is included in this review. The Board of Taxation is due to report on its review by the middle of next year.

As I indicated, the former coalition government identified the need for action in this area and maintained in principle support for integrity measures. Legislative action was delayed so that further consultations could be undertaken in recognition of the implications of any changes for the property sector in Australia. These are sensible changes. They are changes that were initiated by the former
government and they have my support. I commend the bill to the House.

Mr HAWKER (Wannon) (1.50 pm)—In joining in this debate on the Tax Laws Amendment (2008 Measures No. 5) Bill 2008 I certainly concur with the comments of the previous speaker, my colleague the member for Menzies, who I think covered some of the main points. I would like to reiterate some of them. The important point about this legislation is that it comes from some work that was done by the previous government and in fact was flagged by an earlier speaker, the honourable member for Higgins, Mr Peter Costello. It certainly shows that the coalition were onto the issues but, as the member for Menzies pointed out, we believed that full consultation was very important in getting the legislation right. Of course, even on that point, there have been changes since the announcement that the current Treasurer made in the 2008 budget on the first schedule. So it has been shown that it is very important. The Senate Standing Committee on Economics has been looking at this legislation as well because it is clearly important that we do get this sort of legislation right.

I was listening to the comments of the member for Dawson in this debate and I must admit it did rather amaze me when he talked about some aspects of the legislation. Yes, he did start talking about the whole question of schedule 1 and what it would mean for people being able to manipulate their affairs relating to GST on property and in particular how one assesses the value added on a GST-free sale is included in calculating GST under the margin scheme. Of course, the legislation goes on further to ensure that this cannot be repeated so that, if a margin scheme were to be reinstated, this would not be a means of avoiding the GST on the sale. The legislation picks up on those very important points.

Getting back to the comments the member for Dawson made about the government introducing an extension of the first home buyers grant to those who buy new homes under construction or to be constructed, I would say that, when we talk about what is going to encourage people to buy homes, probably at one level if house prices themselves start to fall that would make them more attractive to buy. But the second point that one has to look at very closely is the whole question of confidence, and I think that is really quite worrying. I was looking at an article in today’s Australian entitled ‘Property price fall the worst in 25 years’. It talks about what has happened to property prices in Western Australia and in other capital cities and it says:

Real Estate Institute of Western Australia president Rob Druitt said the Perth market was moving into uncharted territory with a combination of falling house prices and dwindling sales.

The article went on to say:

While some correction had been expected, Mr Druitt said Perth had not experienced anything like the current downturn since 1982, when the median house price fell 10.5 per cent in a year.

When we listen to the member for Dawson talking about the impact of first home buyer incentives we then look at what has happened to residential auctions in the capital cities over the last 12 months. If you look at the clearance rates, which are a good indicator of what people are looking at when they want to buy a home, you see that in Sydney the clearance rate has dropped from over 60 per cent a year ago to 43½ per cent. In Melbourne it has gone from 76 per cent down to
just over 44 per cent. In Adelaide it is even more dramatic. It has gone from 70.2 per cent down to 38.1 per cent. Then in Brisbane we see that the clearance rate has dropped from 52.8 per cent down to 25 per cent. It is very significant, but even more significant when you consider that the number of auctions in most of those places had increased in some cases by as much as double.

It was interesting to hear the government members’ approach to the whole question of what is happening in the economy. On the one hand, the member for Dawson was talking about being Father Christmas and about assistance to first home buyers and about assistance to pensioners for Christmas time, but then he went on to talk about how important it was to see interest rates falling, implying that this was another part of the current Labor government’s approach to managing the economy and making life better for everyone. He was talking about the role of a Labor government in claiming credit for this, the role of spending and the shrinking surplus. Remarkably, as so many old-timers have said to me over the years, ‘You can’t trust Labor with the money,’ and I think of the Labor budget surplus and how quickly it is shrinking. The government has not actually delivered a surplus yet, but I think someone is now running a book as to when the surplus will totally disappear. That comes back to what the old-timers said about not trusting Labor with the money.

When we look at the management of the economy—and this comes back to the point about confidence—we look at the whole question of the banking deposit scheme. In about a month we have seen the government change its position three times. At one stage it was critical of the opposition saying that deposit guarantees should be lifted. The government said the suggestion of $100,000 from the Leader of the Opposition was irresponsible. It then did a backflip and said, ‘No, we will do better than that; we are going to guarantee all banking deposits.’ It made a remarkable decision when clearly not even the Reserve Bank was directly consulted on that. I would have thought that was fairly important. Very quickly it was realised that this was having a massive distortion on the market, so we saw another position—again, within a couple of weeks—of its suddenly saying for any deposit over $1 million there would be a fee. The disruption that has meant—this comes back to the whole question of assisting people to buy homes—has been quite massive, because this is all about confidence and if you start to undermine confidence in the way you are managing the economy then home buyers will be even more hesitant.

We look at the impact of the management of this approach to supporting deposits in banks and we see that other institutions—and I can think of at least one in my area, a very reputable institution but one which operates outside the APRA approval and operates, I think, very responsibly—have been affected by the whole question of deposits drying up. Not surprisingly, good clients are very hesitant when there is no guarantee. This is a reflection of the way that the current government is not really too sure about what it is doing. I am reminded of a cartoon that was in the Herald Sun recently of a car going along stop, start, stop with the Prime Minister and the Treasurer in the car and the comment from the observer is, ‘Well, they’ve only got the L plates on so clearly they do have a bit of time to learn.’ The unfortunate thing about it, though, is that if that does happen—and a lot of people are going to get hurt—then the government will be held responsible. Make no bones about it: this is a very important part of the role of the opposition. That is why, when the Leader of the Opposition has been bringing to the attention of the government the importance of manag-
ing some of the challenges that we are facing in the current financial system, it should be done in a responsible and effective way. There is very real doubt that particularly the Treasurer is on top of his portfolio, and so when we look at what is in prospect I think we see that a lot of Australians are extremely concerned about the management of this government.

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

MINISTERIAL ARRANGEMENTS

Ms GILLARD (Lalor—Acting Prime Minister) (2.00 pm)—I inform the House that the Prime Minister will be absent from question time until Wednesday this week as he is attending APEC in Lima, Peru. I will answer questions on his behalf. I also inform the House that the Minister for Defence will be absent from question time this week as he is attending the Regional Command South meeting in Toronto, Canada and the AUKMIN in London, UK. The Minister for Foreign Affairs will answer questions on his behalf today. The Minister for Sport and Minister for Youth will be absent from question time until Wednesday this week as she is attending the World Anti-Doping Agency board meeting in Montreal, Canada. The Minister for Health and Ageing will answer questions regarding sport and I will answer questions regarding youth on her behalf. The Minister for Resources, Energy and Tourism will be absent from question time today. The Minister for Agriculture, Fisheries and Forestry will answer questions on his behalf. I wait to be overwhelmed by questions.

QUESTIONS WITHOUT NOTICE

Employment

Mr TURNBULL (2.01 pm)—My question is addressed to the Acting Prime Minister. Will the government support the opposition’s plan to protect Australian jobs by reviewing laws relating to insolvency to give top priority to restructuring and rehabilitating Australian businesses rather than liquidation and fire sale?

Ms GILLARD—I thank the Leader of the Opposition for his question. The government’s position is to support the creation of Australian jobs. That is why we acted decisively with the economic security statement, which of course is about priming the economy, including an estimated priming of 75,000 jobs. As the Prime Minister has made clear, the government will also be looking at fast-tracking infrastructure, with further statements to be made about that matter in December. On the question of structural adjustments and on work with industry and businesses that find themselves under pressure in these difficult days, the government has acted proactively to support the car industry with a major package of assistance for the car industry. People may have noted after that government decision that Ford in Geelong has made a different decision about the potential closure of its plant there—very good news for people in Geelong and the associated region. We also indicated at the time of the economic security statement that we would be reserving 10,000 of the new productivity places—the training places for skills and jobs—for structural adjustment purposes. We are putting in place those policies and plans. In terms of assessing any ideas from the opposition, if they hold one for more than 24 hours then they may care to forward it.
Rudd Government: Election Commitments

Ms CAMPBELL (2.03 pm)—My question is to the Acting Prime Minister. Will the Acting Prime Minister update the House on the implementation of the government’s election commitments?

Ms GILLARD—I thank the member for Bass for her question. Of course today is the one-year anniversary of the election of the Rudd Labor government. This is a government that has spent that year delivering on its promises. We believe that it is very important to rebuild faith in government and to rebuild faith in government in circumstances where that faith had been undermined by the Liberal Party through its invention of core and non-core promises. We wanted to rebuild faith in government to show the Australian people that an elected government in this nation can deliver on what it promised, and that is exactly what we have been doing.

We ended a decade of climate change denial and inaction by doing precisely what we promised—ratifying the Kyoto protocol. That was done within days of the government being elected. We delivered what we promised by apologising to the stolen generations of Indigenous Australians, and we are working with Indigenous Australians to close the gap in key areas like health, education and, most importantly, life expectancy.

We ended the making of Australian workplace agreements, the most hated part of Work Choices. I note today—I think it is an interesting revelation 12 months from the election of the Rudd Labor government—that whilst the Leader of the Opposition says Work Choices is dead, despite being asked on three occasions whether that meant that the Liberal Party ruled out individual statutory employment agreements for the future, he refused to answer. So what we have learnt, one year after the election of the Rudd Labor government and one year after the defeat of the Liberal Party, is that if the Liberal Party were re-elected with the current Leader of the Opposition as leader then it would be back to statutory individual employment agreements, back to the rip-offs of penalty rates and overtime, back to 16- and 17-year-old kids being ripped off in their first job, because that is what the Leader of the Opposition believes in.

On the question of honouring our promises, we honoured our commitment to withdraw all Australian combat troops from Iraq. We have honoured our commitment to help working families with a $55 billion package of support for working families in the May budget, including tax cuts, an increase in the childcare tax rebate and our new education tax rebate. And of course we are continuing to deliver on our education revolution. We have trades training centres, with $90 million made available for trades training centres in high school. We have money in 896 schools for 116,820 computers and, despite claims to the contrary, our digital education revolution is rolling out as promised.

We have also achieved historic agreement with the states and territories for a single national school curriculum. We have created new places at universities for early childhood educators. There are new incentives to study maths and science. We are creating over a thousand new training places for nurses and providing incentives for thousands of nurses to return to work as nurses.

Twelve months ago no-one could have foreseen the global financial crisis and, in the face of it, the government has moved swiftly to protect the Australian economy and protect Australian jobs. We have guaranteed all depositors and all deposits and term funding in all Australian banks, building societies and credit unions for the next three years. We have injected $10.4 billion into the Austra-
lian economy to stimulate activity and to support those who are doing it tough. And, as I indicated, we are bringing forward infrastructure investment, and the government will have more to say about that in December.

While the government has achieved many of its objectives in its first year in office we do not underestimate the task ahead. There remains a considerable amount of work to do to keep delivering on our commitments—building long-term reform, strengthening our economy and protecting jobs—and we intend to do it.

Executive Salaries

Mr Turnbull (2.09 pm)—My question is also addressed to the Acting Prime Minister. Will the government support the coalition’s plan for real action to address excessive executive salaries by changing the law—

Government members interjecting—

The Speaker—Order! Those on my right will come to order!

Mr Turnbull—I will ask the question again. Will the government support the coalition’s plan for real action to address excessive executive salaries by changing the law to make the shareholders vote on executive remuneration binding on the directors as opposed to being merely advisory as it is under the law at present?

Ms Gillard—I thank the Leader of the Opposition for his question. When a poacher turns gamekeeper then I am always interested in what they have got to say. If a poacher turned gamekeeper now has a policy he believes should be considered and is going to remain the policy of the opposition for more than 24 hours at a time, I am happy to say that we will consider it, because of course we know that what they say today they deny tomorrow and they invent again on the third day and by the fourth day and the fifth day they are on another part of the cycle. But if this is a policy that is going to last, unlike excise reductions on petrol and the like, I am happy to say we will consider it and it is with some relish that I look forward to this poacher turned gamekeeper giving us his policy.

DISTINGUISHED VISITORS

The Speaker (2.11 pm)—I inform the House that we have present in the gallery this afternoon the Minister for Human Rights and Refugees from Bosnia and Herzegovina, Dr Safet Halilovic. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr Turnbull (2.11 pm)—My question is to the Treasurer. Will the Treasurer update the House on the decisive action the government has taken over the past year to strengthen our economy during the global financial crisis?

Mr Swan—I thank the member for Leichhardt for his question. It has been a year of hard yards as we deal with the greatest ever crisis experienced in a market economy and we know that Australians are concerned by the daily bombardment of economic news from overseas. I do not think that anybody could have predicted 12 months ago the events of the last 12 months, with the failure of something like 30 banks around the world and the recession in Europe and Japan or the fact that the IMF might be predicting recession in the United Kingdom and in the United States.

Our sound economy has not been immune from all these events, but there are strong fundamentals and, of course, government action has helped us withstand the fallout. The government has been diligently and re-
sponsibly preparing our economy for the worst that the world can throw at us. That is why at budget time we built a strong surplus as a buffer against international uncertainty. It is a surplus which has given the government the flexibility to respond to changed international conditions and the flexibility to deliver a $10.4 billion economic security strategy. It is a very important strategy which will add between half and one per cent to GDP and create up to 75,000 jobs. It is welcomed on this side of the House; it is opposed by those on that side of the House. They said there would be bipartisan support and then they turned around and opposed every aspect of it. And, of course, not only have we been acting but the Reserve Bank has been acting.

The Deputy Leader of the Opposition opposed the payments to families on the radio the other day. She opposed the payments to families. But the Reserve Bank has been active as well, responding with cuts to interest rates of 200 basis points in recent months. This means that fiscal policy and monetary policy are working in tandem. Those opposite do not have any alternative policy solutions—30 minutes from the Leader of the Opposition at the Press Club today and not one costed positive policy; none at all. We are doing the hard yards to protect Australians. We understand the nature of the problem. Those opposite do not. We will continue to strengthen our economy, to build our strength in the face of these international circumstances, to look after families, to look after pensioners and to look after Australian businesses.

Economy

Mr CIOBO (2.15 pm)—My question is to the Acting Prime Minister. Will the government support the opposition’s plans to assist Australia’s 2.4 million small businesses to deal with the global financial crisis by doubling from 15 to 30 per cent the allowed margin of error for instalment payments to the Australian Taxation Office?

Ms GILLARD—I thank the member for his question. The government obviously is concerned about the impact of the global financial crisis on small businesses. In moving decisively with our economic security statement and injecting $10.4 billion into the economy, one of the things that was on our minds was support for small business. Engaging in that kind of fiscal stimulus, ensuring that there was money in the hands of households, has an effect for small business, and we wanted to make sure that small business benefited from that economic security statement as well. On other matters involving small business, the government has invested in Enterprise Connect centres to assist small business. We believe that that is important. We also believe that it is important to make it easier for small business to engage in their GST tax accounting. This is a matter that my colleague the Minister for Small Business, Independent Contractors and the Service Economy has been working on. So our policies and plans here are clear. We want to support small businesses. We understand that they are a backbone of the Australian economy, and consequently they have been at the forefront of our thinking as we have responded to the global financial crisis.

DISTINGUISHED VISITORS

The SPEAKER (2.17 pm)—I inform the House that we have present in the gallery this afternoon members of the Judicial Affairs Committee of the National Assembly of Vietnam. On behalf of the House I extend a very warm welcome to the members.

Honourable members—Hear, hear!
QUESTIONS WITHOUT NOTICE
Pensions and Benefits

Ms COLLINS (2.17 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How are government policies helping to make Australia fairer, and who is benefiting from this approach?

Ms MACKLIN—I thank the member for Franklin for her question and for her very real concern and commitment to make sure that people in her electorate and people in the broader Australian community benefit from the government’s approach to fairness. It is the case that over the last year the government has been determined to work very hard to deliver on our promises and to rebuild the trust in government that was so necessary on 24 November last year. We have shown that we are serious about both restoring Australia’s belief in fairness and delivering both socially and economically.

We know, like many other Australians, there are families, pensioners and carers who are doing it tough. We have been determined to give them a helping hand. We are now spending $12.3 billion more than the previous government on pensioners and carers. In response to the global financial crisis, we are delivering Economic Security Strategy payments, and these will be paid to pensioners and carers from 8 December this year. Single pensioners will receive $1,400 each, and couples will receive $2,100. For the first time, we have increased the utilities allowance and extended it to all pensioners and to carers. We extended the utilities allowance from $107 to $500 a year, earlier in the year. As I said, we have extended all of these payments to all pensioners, to carers, to those on carer payment and to disability support pensioners. They are receiving the utilities allowance for the first time, and they will also receive the Economic Security Strategy payments. I am pleased to say that families, particularly those families who are under financial pressure, will also be receiving the Economic Security Strategy payments. Families with children will receive $1,000 for each eligible child.

We have also started the very hard work of preparing Australia for future challenges. We know there is a need for long-term pension reform, and that is exactly what we intend to deliver by next financial year. We have also embarked on a major inquiry to modernise our welfare and transfer system. We are providing Commonwealth leadership for the first time to develop a national child protection framework. For the first time, Centrelink will be part of the national child protection alert system. We are trialling national income management and school attendance measures. In this year’s budget we introduced fairer and more responsible baby bonus and family tax benefit arrangements, and we have asked the Productivity Commission to look at options for paid parental leave—another first. These are, of course, just initial measures of reform and improvements that are needed to our welfare system. We are wanting to do the long-term reform while at the same time providing urgent relief for pensioners, carers and families from cost-of-living pressures. We certainly know that there is more to be done. We are making inroads on closing the gap. The Acting Prime Minister made reference to the national apology to Indigenous Australians and in particular to members of the Stolen generations. I can say just how important this has been, particularly to Indigenous people, in terms of the hope that it has given them in their future.

We have laid out very ambitious targets to close the gap in life expectancy, health, education and employment. Gradually, we are moving forward. Particularly in Indigenous housing, we are laying the groundwork for
major reforms to tackle shocking levels of overcrowding and substandard housing. We are reforming Indigenous employment programs, making sure that we see Indigenous people getting the skills and experience they need to get a job. In doing that, we are harnessing the extraordinary goodwill that is available now in the corporate sector. We are moving forward to a sustainable period of development in the Northern Territory emergency response. These are just some of the steps that we need to take to close the gap, to close the shameful life expectancy gap between Indigenous and non-Indigenous Australians. There is a lot more that needs to be done, but we will take an evidence based approach as we move forward. We intend to meet our election commitments to protect Australia as a fair and caring place and prepare our country for the challenges of the future.

Economy

Ms JULIE BISHOP (2.23 pm)—My question is to the Treasurer. Does the Treasurer stand by his statement of 3 September this year that 'It is just the height of economic irresponsibility, at a time of global uncertainty, such as we experience at the moment … to put the Government in a position where this surplus will be eroded …’?

A government member—Are you quoting accurately?

Mr SWAN—I do not know if it was accurate or inaccurate; I would not know. If I am being quoted accurately, it would have been in reference to all of the actions by the opposition in the Senate to vandalise the surplus, the surplus that we are now using to protect Australian households and Australian businesses from the global financial crisis. Those opposite have not, in the whole year they have been in opposition, produced any coherent framework when it comes to an alternative budget or an alternative financial position.

Mr Hockey—You’d copy it!

Mr SWAN—I get it now—we copied it and they tried to destroy it. Where are they coming from? There is no coherent framework over there, and there was none from the Leader of the Opposition at the Press Club today. There has not been a single position of economic responsibility shown by those opposite. They promise bipartisanship and then oppose everything in the House, including the surplus that the government is using to protect the economy, households and businesses from the impact of the global financial crisis. It is going to get tough. We have had the midyear economic review and we have modest growth and modest surpluses. We worked hard in the budget to build a strong surplus to give the flexibility that we have now used to protect the Australian economy. At every step of the way we were opposed by those opposite, who now claim to believe in surpluses they were trying to destroy. What you will see from this government is responsible economic management, and what we have seen from those opposite is complete irresponsibility day in, day out.

Commonwealth-State Financial Arrangements

Mr SIDEBOTTOM (2.26 pm)—My question is to the Treasurer. Will the Treasurer outline the important changes to Commonwealth-state financial arrangements which the government has put in place as part of efforts to modernise the Australian Federation?

Mr SWAN—I certainly welcome the question about the reform of federal-state relations, which are so important to the long-term prosperity of this economy and its capacity to create wealth. This week will be a very important week in terms of modernising
our Federation and putting an end over time to the blame game that has bedevilled so much that has gone on in this country when it comes to education, infrastructure and health. On Friday I will meet all state and territory treasurers to negotiate reforms to Commonwealth-state relations across a range of areas—not just health, not just education, but disability, housing and so on. The meeting of treasurers will be followed by a formal meeting of the Council of Australian Governments on Saturday. Over the past few weeks, I, other ministers and the Prime Minister have engaged in quite constructive discussions with all of our colleagues across all of the states, because we recognise that there are great challenges out there which do require the reform of federal-state relations and particularly a 21st century reform to health and education.

I am convinced that we are now putting forward a framework to change the structures to make the Federation work more efficiently. Firstly, we have reduced the number of specific purpose payments from the Commonwealth to the states from over 90 to just five, reducing waste and duplication. Secondly, in a significant break with the past we have committed to using incentives to drive reform at the state level. This will be through national partnership payments. These payments will be used to deliver specific economic and social reforms, particularly in health and education. Also, we have agreed to use information to drive better accountability and we will independently measure how the states perform across agreed indicators. This, too, is a first. We have every confidence that these changes will help us build a more productive national economy and deliver better services for all Australians. These reforms will be backed up with a funding package which is appropriate, given the fiscal environment we face. But we will not shirk the hard reforms that those opposite shirked. Access Economics today really pinged all of those over there. There was very colourful language about what they did with the product of the boom, or what they did not do with it, which was to put in place the necessary reforms for the future. The reform of federal-state relations is a very important part of that, and we look forward to that occurring this weekend.

**Economy**

**Ms JULIE BISHOP** (2.29 pm)—My question is to the Treasurer. I refer the Treasurer to the Prime Minister’s direct declaration of a ‘war on inflation’ on 21 January, which he described as the biggest economic challenge facing the Australian government. Why is there no mention of inflation, which has now risen to five per cent, or the government’s five-point plan to fight the war on inflation in the government’s one-year progress report released on Friday?

**Mr SWAN**—The Deputy Leader of the Opposition has missed the global financial crisis altogether. The Leader of the Opposition said that it was all hype. But he said it was all hype at precisely the same time he was changing his own personal investment strategy away from unguaranteed funds.

**Opposition members interjecting**—

**Mr SWAN**—Go ahead. Bring it on. The balance of risk in the economy has changed dramatically—that is why. There has been a dramatic impact from the global financial crisis around the world. Somehow the Deputy Leader of the Opposition has missed the fact that Europe is in recession and so is Japan. Somehow the Deputy Leader of the Opposition has missed the fact that the IMF is predicting that Britain and the United States are heading the same way. The balance of risk has fundamentally changed, and with that change has come the absolute imperative that we in this country and many other countries around the world act decisively to
strengthen our economies, particularly through fiscal stimulus but also through monetary policy and through a whole lot of other actions in the financial system that are absolutely fundamental for the stability of our economy and our society. Those opposite simply do not get it.

We on this side of the House do get it. We understand the challenge. We also understand the need to deal with inflationary pressures in the longer term as well. That is what reform of federal-state relations is about. That is what reform of the tax system is about. That is what doing something fundamental in other areas, such as infrastructure, is about. We have our long-term program, but we understand what is going on out there right now. Right now, the balance of risk has changed. We on this side of the House understand the nature of the problem and have acted decisively to deal with it.

**Education**

Mr ADAMS (2.32 pm)—My question is to the Acting Prime Minister. Will the Acting Prime Minister update the House on the implementation of the government’s commitment to delivering an education revolution?

Ms GILLARD—I thank the member for Lyons for his question. I know he is passionately interested in education. The government continues to deliver its education revolution. Already we have delivered investment in trade training centres—$90 million of a $2.5 billion program. This is a program that has already benefited 96 schools who are putting together 34 projects. We are delivering our digital education revolution—a $1.2 billion plan to bring fibre to schools and to bring computers to school children, a plan that is on track to deliver as promised and which has already delivered $116 million to 896 secondary schools around the country, enough funding for more than 116,000 computers. The government is delivering on early childhood education and care. We have delivered an increase in the childcare tax rebate so it now meets 50 per cent of out-of-pocket costs. This payment is not income tested and is now paid quarterly. We are delivering on universal preschool and investing in the early years of children’s lives because we know that is where we can make the most difference for outcomes later in life. We have invested in our universities, with half a billion dollars already delivered to help them rebuild their campus infrastructure. We have created new places for nurses and early childhood educators. We are commencing the phasing out of full-fee-paying undergraduate places for Australian students. We believe and will ensure that access to university for Australian students is about merit and not capacity to pay because that is the Australian way. We are delivering 700,000 new training places over the next five years. We have been delivering these new training places, our productivity places, all this year. This program has been so popular it has been oversubscribed. And our economic security statement added in 57,000 new places to assist as we meet the economic challenges this nation now confronts. All of these policies are being delivered and next Saturday, by working cooperatively with states and territories, we look forward to delivering an historic deal in the form of a new national education agreement and partnership in the areas of teacher quality, better assistance for disadvantaged schools and literacy and numeracy.

It is very fitting that, as we move towards this historic new agreement, this week Australia hosts a visit from the chancellor of New York’s education department, Joel Klein. I met with him this morning, and I had the opportunity to meet with him in New York. We spoke together today at a forum entitled ‘Leading transformational change in schools’. I am pleased to confirm that, as
part of the new COAG arrangements, the Rudd government stands ready with half a billion dollars of new investment in teacher quality because we know, and worldwide research is telling us, that there is nothing more important to a child’s outcomes at school than the quality of the teacher standing in the classroom. We are investing in teacher quality.

We are also delivering a new era of transparency to Australian schools. We particularly want parents and community members to be able to compare schools with similar student populations—students who have similar challenges when it comes to learning. When we do that comparison and we see different results for similar student populations then we will know that one of three things needs to be addressed: teacher quality, school leadership or a difference in resources. By doing these comparisons, we will be able to analyse the factors that adults should fix to assist those children.

One thing that stands in the way of delivering this new era of transparency—and obviously transparency is very controversial; I understand that people have strong views—is the attitude of the Liberal Party to the Schools Assistance Bill, which is making its way through the parliament. This bill is about imposing the same transparency requirements on non-government schools that we will impose on government schools through the National Education Agreement—that is, the same transparency about results and the same transparency about resources. But the Liberal Party, rather than addressing educational disadvantage of schoolchildren and actually using the powerful tool of transparency to help us address that disadvantage, is playing the old politics of the public-private divide. We are moving beyond the public-private divide to lifting quality in every school. Transparency right across the board, including resources, is part of that. I would call on the Liberal Party, after its 12 years of neglect and failure, to get out of the way as we lead transformational change in Australian education for Australian students.

**Schools: Computers**

Mr PYNE (2.38 pm)—My question is to the Acting Prime Minister. I refer the Acting Prime Minister to the government’s failure to deliver a laptop computer to more than 10 per cent of government school students in the last year. The state of New South Wales cannot afford the second round of the program. The ACT and South Australia have stated that they are simply replacing old computers with new. Victoria is charging parents for the services and infrastructure associated with the program. Will the government at least commit to salvaging the computers in schools program by working with the states to appropriately fund the services and infrastructure that go with the computer hardware?

Ms GILLARD—I thank the shadow minister for education for his question, though I note it contained a number of assertions which are simply untrue. I will now describe to the shadow minister for education what is happening with the digital education revolution, and he may choose to listen so that he ceases making publicly a series of claims about this that are untrue. When we came to government, we inherited a situation where the world was moving on on new technology and the Liberal government had neglected that transformation in the way that students learn. We were elected to deliver a digital education revolution. We always said that this program would be delivered over a period of time. We budgeted for it—

*Opposition members interjecting—*

Ms GILLARD—Look at the election policy documents! We budgeted for it over a four-year period. Look at the election policy
documents. I know that the Liberal Party struggle with the concept of promising things and then delivering them, but they should look at our election policy documents. We are delivering exactly as we promised. What we promised was a program that would bring computers to students in years 9 to 12. What we promised was that that program would start in the first six months of this year. What we have delivered is a program that started in the first six months of this year. We promised that applications would open in the first 100 days of government, and applications did open in the first 100 days of government. We then dealt with those applications, and those applications were called for from schools with the greatest need—that is, schools that had a ratio of students to computers of one to eight or worse.

Ms GILLARD—The shadow minister is hurling abuse about non-government schools. I do not abuse schools in this country. I believe every school should be looked at, and we should be aiming for quality. In the first round of our digital education revolution we said that, whilst we want to bring computers to all students and all schools, we will focus on need.

Mr Pyne—Mr Speaker, I rise on a point of order. The Acting Prime Minister is verballing me. I was pointing out that non-government schools can afford the services

The SPEAKER—Order! The member for Sturt will resume his seat. There is no point of order. The member for Sturt will remain silent while the Acting Prime Minister is responding.

Ms GILLARD—The shadow minister continues playing the politics of the past while we get on with delivering the learning tools of the future. Round 1 is delivered. Round 2 is in progress. There is money in the budget to deliver further rounds so we will deliver on exactly what we promised. There is money in the budget for curriculum development. There is money in the budget for teacher professional development.

In respect of the member’s claims that there are schools in Victoria that are being asked to fundraise to support this government’s program, that is not true. He knows that the school to which he refers, Lilydale, was fundraising for a different purpose, not to support this government’s program. The government have made a difference to 896 schools around the country already. We will continue delivering our education revolution. Can I say to the shadow minister, who plays this petty politics with his false statements wherever he goes: any day he could ring up Glenunga International High School in his electorate and tell them to send back the funding for their 416 computers. He could do that any day. We will see whether or not he does that. His failure to do that would be an indication that he understands this program is delivering good outcomes and it has delivered to a school in his own electorate.

**Australian Healthcare Agreements**

Mr BIDGOOD (2.43 pm)—My question is to the Minister for Health and Ageing. Will the minister outline to the House what the community can expect from new healthcare agreements between the Commonwealth and the states and territories?

Ms ROXON—I thank the member for Dawson for his question. He has done a great job in his electorate arguing for the interests of his local constituency. I could not help but notice that it is not just me that thinks he has done a great job; in fact, the Daily Mercury writes: ‘You’ve done a great job, James’. Apparently the general consensus from community leaders in Mackay is that he has done a great job. So I am sure that those community leaders will be pleased to hear that in
our intended agreement with the states and territories that is being negotiated, and was already referred to by the Treasurer earlier in question time, we intend to end the blame game. We want to stop the bickering between the states and the Commonwealth over who is responsible for what and show that if we work together we can deliver better outcomes in health to our communities. So I can make it clear that we intend to invest more money in our health system but, at the same time, we will not just be handing the states and territories a blank cheque. What we want to do is reward effort. We want to make sure that targets are being set and that we pay according to outcomes.

We have a very good example of how, in the first 12 months in office, we have already seen this sort of approach deliver benefits to thousands of Australians across the country. I am referring here to our early commitment and announcement that we would invest $600 million into elective surgery, and use it to illustrate how Commonwealth money and cooperation of the states and territories can deliver a significant outcome to the community. Members might remember from when we announced the $600 million that the first stage of funding, $150 million, was provided to the states and territories to perform 25,000 extra procedures and that the funding was tied directly to those outcomes. I am pleased to be able to report to the House that at the end of September, only three-quarters of the way through the year that this $150 million relates to, over 27,000 extra procedures had already been delivered—more than 27,000 eye operations, knee operations, hip operations—all having a vital impact for constituents, whether they are in Dawson or any other electorate, because of the leadership that the Commonwealth has shown. What it has meant is that the Commonwealth’s extra funding and the states’ willingness to pull their weight have delivered dividends for those families that we promised in the election that we would help. We have seen many states able to leverage the investment made by the Commonwealth to increase their own efforts, delivering this fantastic number of 27,000-plus procedures well ahead of time and showing that Commonwealth money used well, tied to outcomes with incentives, can deliver change—something that those opposite never tried to do in elective surgery and in fact did not try to do in health at all.

The member has asked what the community might see. You can expect to see more investment in health. You can expect to see investment driven change and incentive driven change and better outcomes for the community. You will see also our understanding that health is not just about hospitals; health is also about what we do outside the hospital system. We need to make sure that we are supporting our hospitals and we are investing more, for example, in preventative health. We know that 670,000-odd procedures in hospitals are preventable, so we have that large number of preventable admissions every year in our hospitals. We know that we have to do more to keep those numbers down, so what you will see is incentives paid for a reduction in preventable admissions, and other similar proposals. This is all about us making sure we use Commonwealth money to drive the change that is needed; it is working with the states and territories to deliver that change. The community can expect to see better health outcomes because we are in office rather than those opposite, who never took this approach.

**Health**

*Mr Dutton (2.48 pm)*—My question is also to the Minister for Health and Ageing. I refer the minister to the government’s promise of 31 superclinics. Minister, given that not one clinic is within cooee of being built,
let alone operated, when will the first patient be treated at one of the 31 GP superclinics?

Ms ROXON—I thank the member for his question. He is aware that a superclinic is proposed in his electorate. The consultations were only recently held in Strathpine. Unfortunately, the shadow minister did not attend, but the consultations were very constructive. As many of the members on this side of the House would know, we have now had I think 24 of the 31 consultations. There are two agreements that are already signed. There are, I think, something like 11 tenders that have already been concluded, where negotiations are being undertaken with the preferred—

Mr Dutton—When will the first patient be seen?

Ms ROXON—I am answering the member’s question but he is clearly not interested to know that we on this side of the House are absolutely proud of being prepared to consult with local communities. There is nothing wrong with listening to local communities. Those opposite when they were in government did not want to listen to local communities. We are making sure that we are going to deliver, whether it was the commitment that was made in Geelong, whether it was in Strathpine, whether it was in Redcliffe—all across the country.

Mr Hockey—Mr Speaker, I raise a point of order. It was a very specific question: when is the first patient going to be treated?

The SPEAKER—Order! The member for North Sydney will resume his seat. The minister is responding to the question.

Ms ROXON—As I have made clear, the processes that we promised—consultation with our local communities—are occurring. The processes are well underway. Two contracts have already been signed. I think the number—off the top of my head—is 11 or 12 that have now completed their tender process. There are another four or five where the tenders are nearly closed. Of course, with a new program you will see the consultation phase first and the delivery phase second. We believe in getting that the right way round, and we are determined to stick with it.

Asia Pacific Economic Cooperation

Mr MARLES (2.51 pm)—My question is to the Minister for Foreign Affairs. How is Australia working with APEC to address key challenges in the Asia-Pacific region?

Mr STEPHEN SMITH—I thank the member for his question. APEC of course is the premier regional institution for the Asia-Pacific so far as trade, investment and the economies of the Asia-Pacific are concerned. In a century where we see political, economic, strategic and security influence moving to our region, to the Asia-Pacific, with the rise of China, the rise of India and the rise of the ASEAN economies combined, this premier regional institution for trade, investment and economic matters is even more important today than it was when a previous Labor government was so instrumental in establishing its effectiveness.

Last week, the Minister for Trade and I attended the APEC ministerial meeting in Lima, Peru and in the last couple of days the Prime Minister has attended the leaders meeting. Foremost amongst the issues, of course, was the APEC follow-up to the G20 meeting insofar as trade in the context of the global financial crisis was concerned. The ministerial meeting recommended to leaders the complete and full endorsement of an adoption of the Doha Round as an absolute priority. My colleague the Minister for Trade has been speaking in very detailed terms about these matters.

I make the point, as I did to various colleagues at the APEC ministerial meeting, that Australia remains of the view that India’s omission from APEC is an ever-increasingly
important oversight. Most people see the rise of China and not enough people until recently have seen the rise of India. India’s addition to APEC at the completion of the moratorium of membership in 2010 is, in Australia’s view, very important.

In addition to those APEC matters, the meeting provided the opportunity to meet bilaterally with a number of colleagues. I make the point that, given elections recently in Canada and New Zealand, I took the opportunity of meeting for the first occasion with Foreign Minister Cannon from Canada and Foreign Minister McCully from New Zealand. Australia, Canada and New Zealand have very good bilateral relationships but we also, in international institutions, combine together within the so-called CANZ group—Canada, Australia and New Zealand—and I had very productive meetings with the two foreign ministers. In addition, given changes of prime minister in Thailand and Japan recently, I had the opportunity of meeting with Japanese Foreign Minister Nakasone and Thai Foreign Minister Sompong.

The APEC meeting in South America also provided the Australian government the opportunity of making the point that we very strongly believe that Australia’s engagement in South America or Latin America needs to be substantially enhanced. It has become quite clear to the government over the last 12 months that people-to-people exchanges, economic and trade exchanges, interest in educational services, interest in scientific research and technology and interest in some of our important and world-class industries like minerals, petroleum resources and wine have gotten ahead of the government-to-government relations.

We saw earlier this year Foreign Minister Amorim from Brazil come to Australia, where we agreed to adopt a plan of action to enhance our relationship with Brazil. We saw the signing earlier this year of the free trade agreement between Australia and Chile with the visit to Australia of Foreign Minister Foxley. On the way to Peru I took the opportunity of visiting Mexico City to have formal bilateral discussions for the first occasion with Mexico, with Foreign Minister Espinosa, and in Peru took the opportunity of bilateral meetings with Peru.

It is important for Australia to enhance its engagement and relationship with southern America, and Peru being the venue for APEC provided that opportunity which the government proposes to strongly pursue.

**Broadband**

**Mr BILLSON** (2.55 pm)—My question is to the Acting Prime Minister. Is your government still committed to deliver its promise to start construction of the national broadband network before the end of 2008?

**Ms GILLARD**—I thank the member for his question, although it is not clear to me that he still has responsibility for communications for the opposition—but I may have that wrong. On the question of the national broadband network, as members would be aware, the tender that the government has sought closes during the course of this week. Consequently, I will not be making any comments or speculation about what will flow from the closure of that tender round. We will go through that process, which is obviously subject to considerable legal requirements and considerable probity requirements, even if those things are not understood by members opposite. The outcome of the tender round will be available and will be transparent for all members of the House later in the week.

**Trade**

**Mr DANBY** (2.57 pm)—My question is also on APEC and is to the Minister for Trade. Will the minister update the House on
how the APEC meetings he attended have contributed to advancing global trade talks?

Mr CREAN—I thank the honourable member for his question. We know the great interest he takes in international affairs, and trade is no exception in terms of his level of interest.

I am pleased to be able to update the House on the importance of the APEC meeting, in particular because of the leaders’ communiqué that emerged overnight that gave very strong impetus again to concluding the Doha Round of trade talks. This of course was the first meeting of ministers since the G20 meeting in Washington and so it was very much a response that they were required to make to give effect to that very strong resolution that came out of Washington. I remind the House also that APEC, which has 21 countries as its members, covers half of the world’s GDP and more than half the world’s trade. As far as Australia is concerned, it is responsible for two-thirds of our trading partnerships.

The G20 did recognise the importance of concluding the Doha Round as a mechanism for adding stimulation to global economic activity. This is because trade is a multiplier of economic activity. I think the significance of the G20 meeting was not just the change in composition of the countries coming together to determine the way forward but the connectedness they made to the significance of trade in stimulating economic activity.

The APEC meeting amplified and strengthened that commitment. It amplified it because, in addition to the 20 nations, an additional 12 countries signed up, at leaders’ level, to this commitment to conclude the round. Apart from the nine members that share a common membership between the G20 and APEC, it brings to 32 the numbers of countries now committed to the conclusion of this round.

It strengthened the call in Washington because for the first time it actually committed ministers to meet next month in Geneva to conclude the modalities aspect of the Doha talks. Whilst this was an important development, the actual calling of that meeting does rest with the Director-General of the WTO, Mr Pascal Lamy, and he has not yet formally determined to call the meeting. But the fact that the leaders of 32 countries are saying ‘meet’, and giving a very significant indication that we should meet next month, plus the fact that last Sunday, yesterday, there were gathered in Geneva the senior officials from all of the participating nations—and I can report to the House that important preliminary progress has been made in Geneva on those talks—sets the basis upon which the ministerial meeting can be convened next month. The Prime Minister has played a particularly active role in this. He was instrumental in the composition of the G20, the communiqué of the G20 and now, importantly, the strengthening of that resolve at the APEC meeting. As the Minister for Foreign Affairs has indicated, both he and I were able to use our involvement at this APEC meeting to strengthen—and not just in a bilateral sense—importantly, a grouping of ministers recommending to the leaders.

Finally, I report to the House that a meeting of Cairns Group members was also convened in Peru whilst we were there, because it is important to build bridges with the other groupings that make up the WTO. So APEC came at a crucial time, and it played an instrumental part in taking the momentum forward. It remains for us to conclude it but it was a significant fillip in that direction.

Whaling

Mr HUNT (3.02 pm)—My question is to the Minister for the Environment, Heritage and the Arts. Minister, does the government stand by its ironclad, unequivocal promise of
Mr GARRETT—I thank the honourable member for his question. I point out to the honourable member that the government remains absolutely committed to opposing commercial whaling and so-called scientific whaling in whatever form. I also point out to the member opposite that all of the things that the government has said we would do, we have done. We said we would ramp up the diplomatic engagement on whaling, and we did—in fact, through a formal diplomatic protest in Tokyo of 31 members of the International Whaling Commission, the largest protest of its kind to date. We said we would appoint a special envoy for whaling, and we have done that through the appointment of Sandy Hollway. We said we would advance reforms to the International Whaling Commission to bring the International Whaling Commission into the 21st century through the modernisation agenda that this government—

Mr Hunt—Mr Speaker, I raise a point of order on relevance. The question was about the International Court of Justice—yes or no.

The SPEAKER—Order! The minister is responding to a question about whaling.

Mr GARRETT—I was pleased to inform the House last week that the government has also committed more than $6 million to kick-start non-lethal whale research and other critical conservation programs in 2008-09. We contemplate a groundbreaking partnership in the Southern Ocean open to all countries to demonstrate that the central research into whales can be carried out without killing a single whale.

I note that the member for Flinders immediately rushed out once this announcement was made and said, ‘Oh, the government’s rushed this out as an attempted diversion.’ If anyone had been diverted, it was the member for Flinders, given that I announced the proposal for the Southern Ocean research program in a media statement in March of this year. The member opposite had eight months to understand the proposal, so perhaps it seems a little rushed in terms of his response.

Let me continue: the clear commitment that the government made was to give careful and serious consideration to the options for potential legal action against Japan’s Antarctic whale program. With that in mind, we have carefully analysed the information obtained through our monitoring of the Antarctic fleet last summer. As the House would be aware, the Oceanic Viking has now successfully completed its monitoring activity that it undertook at the request of this government. I am pleased to report to the House that this was a successful mission. The Oceanic Viking is now returning to the ordinary course of duties. It has a critical task patrolling the Southern Ocean for illegal and unauthorised fishing activities. But again, the member for Flinders sprang out of the box last Friday and accused the government this time of having ‘waved the white flag and given the green light to Japan to press ahead with the killing season’, as if this is the view of the government. As it turned out, the member for Flinders is always out of the box very quickly—whether it is jumping out of aeroplanes despite the record demand for solar panels or whether it is accusing us of giving up on whales because we have collected valuable evidence. I note that the Leader of the Opposition—

Mr Hunt—No, don’t stop him; let him go!

Mr GARRETT—Well, you’ll enjoy this next bit, I would say to those opposite, because on the same day the Leader of the Opposition had a completely different view to
his shadow minister. This is what the Leader of the Opposition said:

The only way we’ll persuade the Japanese to stop whaling is if Japanese public opinion changes.

And I quote:

We’re not going to stop them by sending a ship down there … because the more you attack the Japanese the more they are now inclined to say, ‘Who are you to tell us how to lead our lives?’

So the member for Flinders is talking about waving white flags and the Leader of the Opposition is saying that monitoring would be counterproductive. Who are we to believe in this House—the former Minister for the Environment and Water Resources or the shadow minister? The fact is the Liberal Party did nothing of substance to end whaling for 12 years and they do not have a policy now. The member for Flinders should spend less time trying to get himself on TV and more time supporting this government’s resolute actions on opposing whaling.

Mr Hunt—Mr Speaker, I seek leave to table a list of the government’s promises to take Japan to the International Court of Justice.

Leave not granted.

Local Government

Mr BEVIS (3.07 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Will the minister outline the government’s plan to support local economies and communities and to forge a new partnership with local government?

Mr ALBANESE—Here in Parliament House last week over 400 of the nation’s mayors and shire presidents gathered to meet with the Rudd cabinet. They represented an estimated 96 per cent of Australia’s population. They came to Canberra to engage in a new partnership between the national government and local government. This was the delivery of our election pledge to create an Australian Council of Local Government. There was much debate at the meeting about advancing reform and improving efficiencies in local government so that we can move forward in a cooperative way. This built on the $1.9 billion that the Rudd government allocated to financial assistance grants in this year’s budget, a record amount, and we also, of course, increased the Roads to Recovery program up to $1.75 billion, an increase of $250 million.

At the Council of Local Government meeting, we announced $8 million for a centre of excellence for local government so that we can encourage best practice on the ground in local communities from local government, and, of course, we announced $300 million for the Regional and Local Community Infrastructure Program. This will stimulate local economies, it will create local jobs and it will make a real difference to the quality of life on the ground in local communities—support for building libraries, support for fixing up town halls and community centres, support for sporting grounds and support for local parks and playgrounds. Indeed, local government around the nation has responded extremely positively to this, because we know that local capital works are a very effective way of stimulating the economy.

Indeed, $250 million has been allocated across every council and shire, 72 per cent to rural and regional councils. Every single council will receive a grant of at least $100,000, and the remainder of the $250 million is to be divided up according to the formula done by the state and territory grants commissions—the state and territory grants commissions, formula determined in 1996-97 by the former government. So that is the formula. We have a transparent process, I might add, if you compare it with the disgraceful Regional Partnerships program or the Sustainable Regions Program, which
plucked out little areas based upon politics and funded them. This is a transparent process. Indeed, it is one in which, according to the formula, just two of the top 10 seats to receive money under this program are held by this side of the House; one independent-held seat, the electorate of Kennedy, is in the top 10; and the others are all held by the coalition. This is a government that believes in transparency and in delivering to local communities based upon need, not based upon political need, which is the way that the former government did its regional development programs, and it is not surprising that this has been universally welcomed by local government.

**Drought**

Mr TRUSS (3.12 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. I refer to the government’s election promise to provide $15 million in top-up funding to drought affected rural research and development corporations. Why has that money not been paid? Why did the government instead cut $63 million from the budget of the CSIRO, which has led to the closure of six research stations?

Mr BURKE—I am surprised the question did not come from the shadow minister for agriculture. He is still over there waiting. One day he will get something through tactics. But I am very grateful for the question, because the leader of the Nationals is right. The commitment we gave for $15 million for the climate change research fund will not be kept, because the $15 million was changed to $46.2 million. I know that would bother the National Party, because we did promise that $15 million would be the figure, but instead we changed the figure to $46.2 million to make sure that we could fully meet the R&D needs because of the needs of looking at climate change, which they as the modern sceptics still do not believe needs to be looked at, because it is not happening at all. But we do understand the needs of farmers to be able to have research and development into adaptation, research and development into reducing emissions of nitrous oxide and research and development into reducing methane emissions. That is what the $46.2 million is for, and that is why the $15 million commitment was not only abandoned but significantly increased. If they prefer a $15 million commitment to a $46.2 million commitment, they should go out and argue that, but the farmers of Australia know exactly why the R&D figures were pushed upwards.

**DVD Piracy**

Ms REA (3.14 pm)—My question is to the Minister for Home Affairs. Will the minister inform the House about the latest information linking DVD piracy to organised crime?

Mr DEBUS—I thank the member for Bonner for that question. Many members of the public have probably bought or received a pirated DVD at some stage—perhaps some members of this House have done so—and not given too much thought to the criminal aspect of it, because most people think of it as a victimless crime. But it is becoming increasingly clear that that is far from the case. Organised crime is moving into this type of activity because of the enormous profits that can be made. A blank disk and some packaging costs, maybe, 20c, 25c. The average price of a DVD that has been pirated is $10. That is over a 1,000 per cent profit. Australian police intelligence is increasingly finding that the same people who are involved in serious crimes, such as the distribution of child pornography, drug trafficking and money laundering, are now heavily involved in what has become an explosion in the production of pirated DVDs. Interpol is giving similar indications on an international trend in that direction.
A report prepared for the recent national police ministers’ conference estimated the cost to industry in Australia of pirated DVDs is around $1.7 billion. That report said that piracy would become more prevalent and more attractive to organised crime as criminals increasingly learn that intellectual property crime offers that very high financial return from a low investment and that because, at least in the past, there has also been a rather low risk of law enforcement attention or detection. State police are now doing a lot of good work in this area. Raids this year on pirating operations have uncovered illegal weapons, drugs and child pornography in addition to the DVDs. There was a significant raid of that nature in Sydney only yesterday. The state and territory police will increasingly encounter this type of crime, and if strong action is taken with enforcement then of course its attractiveness will be reduced.

I should mention that the Australian Federal Police have appointed an intellectual property officer to build partnerships across the Asia-Pacific region and in June actually hosted a workshop for that purpose in Bangkok. The Australian government is also seeking intellectual property enforcement and cooperation with other countries through international forums such as APEC and in our free trade negotiations. In February the Minister for Trade announced that Australia would participate in negotiations for multilateral antibribery agreements.

The Australian Federation Against Copyright Theft is an organisation which protects the interests of 50,000 people who work in the film and television industry. They have been working with police to raise awareness of this growing involvement of organised crime. In the 12 months to October this year the Federation Against Copyright Theft assisted police in seizing close to one million DVDs and 741 DVD burners. These are pieces of equipment that you can keep in the backyard, and those 741 burners have the capacity to produce 18 million DVDs in a year. So it is clear that DVD piracy is not at all a victimless crime, and I do urge the public to stop and think where their money might really be going next time they pay 10 bucks for a cheap DVD.

**Health**

Mr HARTSUYKER (3.18 pm)—My question is to the Acting Prime Minister. I refer the Acting Prime Minister to a press release issued by the Minister for Health and Ageing in January this year announcing $43.3 million to cut hospital waiting lists in New South Wales. I refer also to figures from the New South Wales Department of Health which show that the average waiting time at hospitals has increased between April and June this year from 3.67 months to 4.15 months in Wagga and from 2.97 months to 3.39 months in Tweed Heads. Acting Prime Minister, does the buck still stop with your government on health?

Ms GILLARD—I thank the member for his question and I would recommend that if he, for whatever reason, was distracted when the Minister for Health and Ageing gave her answer earlier in question time he studies the Hansard. What he will find from that Hansard and what she confirmed to the parliament is that our new investments in elective surgery are ensuring people can get elective surgery: eye surgery, knee surgery and the like. We have seen more procedures undertaken than the minister thought was possible when she announced the funds. She had announced that 25,000 would be done and in fact 27,000 or more have been done and she is running in front of time. Since this government came to office we have invested an additional $1 billion in health for a set of purposes and an additional $600 million for another set of purposes. As the minister indi-
cated, these have been tied to outcomes. Importantly, some of the outcomes that they have been tied to have been these elective surgery procedures.

Mr Hockey interjecting—

Ms GILLARD—Can I say to the shadow minister opposite that he may like to reflect how this track record of additional investment, particularly as we move towards the COAG meeting on Saturday, stands in stark contrast to the record of the Liberal Party, where the man sitting next to him used to wander around giving ‘rock-solid, ironclad guarantees’ only to have to back down on them because the things that were said to the Australian people at election time were never honoured by the Liberal Party in government. This government has taken a different approach. You sent your then minister for health out to give Australians a rock-solid, ironclad guarantee when they were voting and broke that promise.

Mr Hartsuyker—Mr Speaker, I rise on a point of order. The question was very specific and related to the fact that people are waiting longer for surgery in New South Wales.

The SPEAKER—The response is relative to the question. There may be a little too much debate in it but that is allowable under the precedents of this place. I would remind the Acting Prime Minister of the requirement to address her remarks through the chair.

Ms GILLARD—Can I make the simple point that in health as well as in other areas this is a government that keeps its word. This is a government that delivers on its commitments. This is a government that is putting in place the long-term foundation stones of reform. This is a government that is responding decisively to the global financial crisis.

90th Anniversary of Remembrance Day

Mr GIBBONS (3.22 pm)—My question is to the Minister for Veterans’ Affairs. Will the minister inform the House about the commemoration of the 90th anniversary of Remembrance Day in Australia and overseas?

Mr GRIFFIN—I thank the member for Bendigo for his question and his longstanding interest in matters with respect to the veterans community. I had the honour and privilege of representing the government and the parliament overseas recently at Armistice Day ceremonies in Europe. I was accompanied by the shadow minister, the member for Greenway. We were also there with the Governor-General. I have been gladdened by the reports that I have received from members in the House on both sides about the success of the commemorations here in Australia and reports of attendances of over 3,000 at the Australian War Memorial, and also at other ceremonies throughout the country.

In Europe, the focus was very much on the 90th anniversary of the armistice. Although it is a time to remember that almost a million Australians have served overseas and some 102,000-plus have, if you like, suffered the ultimate sacrifice, I think it is also important at this time to remember particularly what occurred at the time of the Great War so long ago.

In terms of ceremonies in Europe, the Governor-General led the Australian delegation with respect to the principal French ceremonies at Paris and Verdun. The shadow minister, amongst others, and a delegation of veterans’ leaders attended a function at the Australian National Memorial at Villiers-Bretonneux. I had the privilege of being at the Menin Gate on what was a particularly cold Flanders day, a day which I can imagine was not unlike what our troops had to deal with so long ago.
It is 90 years since the end of the war that was meant to end all wars—90 years from when, I think it can be argued, Australia was at its zenith in terms of international influence with respect to the events of that time. In 1918, the circumstances were that the Australian forces led the charge in a number of major battles which were effectively the basis which led to the armistice. They were joined by many others—the British, the Canadians, the Indians and the New Zealanders—but with respect to a number of particular battles in that time, Australians served their country exceptionally well. Villiers-Bretonneux, which I had the privilege of leading a delegation to for Anzac Day earlier this year, was the site of a battle which stemmed the tide of the push towards Amiens by the Germans as part of their spring offensive of 1918. Then battles like Le Hamel, Amiens, Mont St Quentin and Peron stand in the history of our country—a history of great courage and great bravery.

I also had the honour to attend the rededication of the Australian Corps Memorial at Le Hamel on 8 November. The Le Hamel memorial, unfortunately, was in some disrepair but it is an impressive memorial. I note the member for Maranoa is present. He was minister at the time it was originally dedicated. The Corps Memorial commemorates the exploits of the Australian Corps right the way through, but its location at Le Hamel in itself is quite significant. Le Hamel was the first battle led by General Sir John Monash as the head of the Australian Corps. It was a battle that was timed to the nth degree. Monash timed it to go for only 90 minutes. He got it wrong. It went 93 minutes.

Mr Hockey—He should have been Field Marshal.

Mr Griffin—There is an argument there. What you can say with respect to what occurred on that occasion is that the combination of the use of armour, air and land forces was very much a template for battles later on which led to the wind-back through to the Hindenburg line and eventually, if you like, the terms towards the armistice.

It was a very great honour and a privilege, as I said, to be there on this occasion and to share this occasion with my colleagues. It is a very important time to remember those who fought and died not only in World War I but also in conflicts since. It is a time to remember that we have a proud history, but we also have to remember so many who died in the cause of freedom and also those who serve today on our behalf.

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

QUESTIONS TO THE SPEAKER
Questions in Writing

Mr Pearce (3.26 pm)—Mr Speaker, I was shocked to see on the Notice Paper today that there is question 335 still outstanding to the Prime Minister on 17 September. I would ask that you write to him and ask him to answer the question.

The Speaker—I will write to the Prime Minister as required by the standing orders.

DOCUMENTS

Mr Albanese (Grayndler—Leader of the House) (3.27 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. For the information of honourable members, I present a copy of the statement by the Minister for Immigration and Citizenship relating to the citizenship test review together with a copy of the Australian Citizenship Test Review Committee’s report entitled Moving forward... Improving pathways to citizenship.
BUSINESS

Days and Hours of Meeting

Mr ALBANESE (Grayndler—Leader of the House) (3.27 pm)—by leave—I move:

That:

(1) the House, at its rising, adjourn until tomorrow at 1.20 p.m.;

(2) so much of the standing and sessional orders be suspended as would prevent the order of business for the sitting tomorrow being as follows, unless otherwise ordered:

(a) Notices and orders of the day, government business;
(b) Questions without notice (at 2 p.m.);
(c) Presentation of documents;
(d) Ministerial statements, by leave;
(e) Matter of public importance; and
(f) Notices and orders of the day, government business; and

(3) standing order 31 (Automatic adjournment of the House) and standing order 33 (Limit on business) be suspended for the sitting tomorrow.

I will just speak briefly and then reply if the Manager of Opposition Business has comments to make. I do so just as a courtesy to the House so that members can be aware of arrangements. This is the last fortnight of sitting. It is my objective, as Leader of the House, to have you leave here next Thursday—some of that is beyond this House’s control and will be determined by the deliberations of the Senate. However, I think it would be the preference that the sitting ends when it is scheduled. I will keep the House updated as to how that is going in terms of next week.

As a courtesy to let people know at the earliest possible opportunity, this motion proposes we start at 1.20 pm. It is the intention of the government to introduce its Fair Work legislation at that time. The reason it is 1.20 is that the Acting Prime Minister has a 30-minute contribution—of course, the procedural opening of the parliament takes some time—and then we will have other introductions of bills later in the afternoon. We will sit through until 11 o’clock tomorrow night, with the adjournment debate intended to be at 10.30.

Mr HOCKEY (North Sydney—Manager of Opposition Business) (3.30 pm)—The Leader of the House kindly informed us this morning of this initiative, and even then it was meant to be 1.30. What I note is that this is about political tactics, and we can see it because the Chief Government Whip has got a big smile on his face. The political tactic is that, before the Prime Minister gets back on Wednesday, the Acting Prime Minister wants her moment in the sun. So that the government’s political message of the day is not derailed, they will introduce their changes to the workplace relations system, come straight out of caucus before anyone who dissents in caucus has a chance to express a view to the media and come into this place and immediately introduce the bills, trying to give the impression that in fact the Labor Party are united in their stand on the repeal of Work Choices. That is quite clearly part of the political strategy of the government. The fact that the government do not stick to the script when it comes to the running of the parliament and are constantly changing the hours of parliament to suit their political purposes is well exemplified by the fact that tomorrow they want to change the hours of the parliament so that they can bring on the political issue of the day and the Acting Prime Minister can have her moment in the sun.

During the last few weeks and months we have seen that the Acting Prime Minister has suffered relevance deprivation syndrome and needs people to take notice of her. She has that little part of the Prime Minister’s DNA that says, ‘Look at me, I’m important,’ which
the Prime Minister has used in relation to conversations with presidents. He has used it when acting as an interpreter between world leaders. He was even witness to those conversations between the President of the United States and the Prime Minister of Russia, where the Prime Minister said, ‘Look at me, I’m important.’ Now we have the hours of the parliament changing so that we can all look at the Acting Prime Minister, because the Acting Prime Minister, suffering relevance deprivation syndrome, says, ‘Look at me, I’m changing the workplace relations laws and I’m going to change the hours of the parliament to accommodate this significant moment.’ It is so significant that they have to change the hours of the parliament. There is only a political motivation here—nothing more than a political motivation.

The government are concerned that they will not be able to get their political message up during question time; therefore, they have to have a speech before question time so that they can make the television news from five o’clock. It is interesting, isn’t it? The normal process is the bills would be introduced on a Thursday. That is the normal process of the House. Even if the government were to introduce bills outside of the normal requirements of the House, it is usually the case that bills would be introduced after question time, and even then it would be after the matter of public importance. So it normally occurs around 4 o’clock, 4.30 or quarter to five, but of course the difficulty for the government tomorrow is that they might not make the TV news if they have to introduce their changes to workplace relations at quarter to five tomorrow afternoon. The bill is not even being debated tomorrow, yet it is so urgent that they are changing the sitting hours of the parliament. It just smacks of policy on the run. It smacks of the fact that the government are desperately focused on politics rather than policy—desperately focused on running the politics of the issue rather than focusing on the details of the policy at issue.

We still wait with bated breath for the legislation and even consultation on the details of the legislation. We are all keen to see it, but the government of course have not provided that draft legislation to us. Therefore, they feel the need to change the sitting hours. I can divide on this, although I am not going to, but I do want to make a point. I am a fair-minded guy. I recognise that the government will ram this through no matter what. I think the parliament should get on with the job of doing what it should be doing—that is, governing in the best interests of the Australian people. Therefore, even though we oppose the fact that they are starting parliament early tomorrow simply for political purposes, we will let this through.

Mr ALBANESE (Grayndler—Leader of the House) (3.36 pm)—This legislation is about getting a focus on Work Choices, and I thank the Manager of Opposition Business for ensuring that there is a focus on Work Choices through his giving of that speech in this chamber just then. I thank the Manager of Opposition Business for focusing in on the fact that tomorrow we will be introducing legislation to get rid of Work Choices—and, yes, we want a focus on Labor’s legislation to get rid of Work Choices. But where the Manager of Opposition Business is wrong is that it is not about the Acting Prime Minister or any member on this side of the House. It is about the ordinary men and women who work in workplaces throughout Australia who want to get rid of Work Choices. That is what it is about. That is why we have consulted extensively on this legislation. We are bringing in this legislation to fulfil the commitment which we gave to working men and women in the last election campaign, and those opposite, particularly the former minister for Work Choices, just cannot move on. Those opposite remain attached to Work
Choices. They remain ideologically committed to withdrawing the rights of ordinary working men and women throughout the nation.

Tomorrow will be a good day for the nation. It will be a good day for the House of Representatives when the Deputy Prime Minister introduces this legislation and there should be a complete focus on this legislation. We have been extremely cooperative with the opposition and I thank them for the fact that they are voting for this legislation.

We were asked this morning to put off the return of bills from the Main Committee because the Leader of the Opposition was speaking at the Press Club, and we did so. That is one more time than we received that courtesy when I sat in the position of the Manager of Opposition Business. What they used to do during those times was ensure that there used to be votes all the time on the basis of just inconveniencing for the sake of inconvenience. There can be no more pathetic example of that than the quorum that was called last week during Matt Price’s book launch.

The DEPUTY SPEAKER (Ms AE Burke)—Order! The time allotted for this debate has expired.

Mr Hockey—I seek indulgence.

The DEPUTY SPEAKER—No indulgence is granted. The indulgence is in my hands and I am not giving you indulgence. I wish to get on with the business of the House.

Question agreed to.

LEAVE OF ABSENCE

Mr SOMLYAY (Fairfax) (3.40 pm)—I move:

That leave of absence from 24 November to 4 December 2008 be given to Mr Oakeshott for paternity purposes.

Question agreed to.

INDEPENDENT REVIEWER OF TERRORISM LAWS BILL 2008

First Reading

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

Ordered that the second reading be made an order of the day for the next sitting.

SAME-SEX RELATIONSHIPS (EQUAL TREATMENT IN COMMONWEALTH LAWS—SUPERANNUATION) BILL 2008

Consideration of Senate Message

Message from Governor-General recommending appropriation for requested amendments announced.

Consideration resumed from 13 November.

Senate’s requested amendments—

(1) Schedule 1, page 3 (line 2) to page 11 (line 21), omit the Schedule, substitute:

Schedule 1—Finance and Deregulation amendments

Parliamentary Contributory Superannuation Act 1948

1 Subsection 4(1) (definition of former spouse)

After “marital”, insert “or couple”.

2 Subsection 4(1)

Insert:

marital or couple relationship has the meaning given by section 4B.

3 Subsection 4(1)

Insert:

partner: a person is the partner of another person if the two persons have a relationship as a couple (whether the persons are the same sex or different sexes).

4 Subsection 4(1)

Insert:

spouse has a meaning affected by section 4C.
5 Subsection 4B(1)
After "marital", insert "or couple".

Note: The heading to section 4B is replaced by the heading "Marital or couple relationship".

6 Subsection 4B(1)
After "husband or wife", insert "or partner".

7 Subsection 4B(2)
After "husband or wife" (wherever occurring), insert "or partner".

8 Subsection 4B(3)
After "marital", insert "or couple".

9 After paragraph 4B(4)(b)
Insert:

(ba) the persons' relationship was registered under a law of a State or Territory prescribed for the purposes of section 22B of the Acts Interpretation Act 1901, as a kind of relationship prescribed for the purposes of that section;

10 At the end of paragraph 4B(4)(c)
Add:

or (iii) a child of both of the persons within the meaning of the Family Law Act 1975;

11 Subsections 4C(2) and (3)
After "marital" (wherever occurring), insert "or couple".

12 Paragraph 19AA(2)(d)
Repeal the paragraph, substitute:

(d) was not or is not survived by a person with whom the deceased person had had a marital or couple relationship and who is:

(i) the natural or adoptive parent of that child; or

(ii) the parent of that child because the child is a child of the person within the meaning of the Family Law Act 1975;

13 Paragraph 19AA(2B)(a)
Repeal the paragraph, substitute:

(a) the child:

(i) was born while the deceased person was having a marital or couple relationship with another person; or

(ii) was adopted by the deceased person or the deceased person with that other person during the duration of that relationship; or

(iii) was a child of the deceased person, and that other person, within the meaning of the Family Law Act 1975; and

14 Subsection 19AA(5) (definition of child)
Repeal the definition, substitute:

child, in relation to a person, means a child of the person, including:

(a) an adopted child or an ex-nuptial child of the person; and

(b) someone who is a child of the person within the meaning of the Family Law Act 1975.

15 Application of amendments of the Parliamentary Contributory Superannuation Act 1948
The amendments of the Parliamentary Contributory Superannuation Act 1948 made by this Schedule apply in relation to a benefit payable under that Act in respect of a person who dies on or after the commencement of this Schedule if the deceased person:

(a) was entitled to a parliamentary allowance at the time of his or her death; or

(b) was entitled to a retiring allowance (whether or not the retiring allowance was immediately payable) at the time of his or her death.

Superannuation Act 1922

16 After subsection 48AB(4)
Insert:

(4A) If a pensioner or contributor died before the day on which Schedule 1 to the Same-Sex Relationships (Equal Treat-
ment in Commonwealth Laws—Superannuation) Act 2008 commenced:

(a) the amendments of the Superannuation Act 1976 made by that Schedule do not apply in relation to any pension that, apart from this subsection, may be granted under this section in respect of the deceased pensioner or contributor; and

(b) the Superannuation Act 1976 as in force immediately before the commencement of Schedule 1 continues to apply in relation to any pension granted or that may be granted under this section in respect of the deceased pensioner or contributor.

17 At the end of section 48ABA

Add:

(9) For the purposes of applying the definitions of eligible child and spouse in subsection (1) in relation to a deceased pensioner who died before the day on which Schedule 1 to the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Act 2008 commenced:

(a) the amendments of the Superannuation Act 1976 made by that Schedule do not apply; and

(b) the Superannuation Act 1976 as in force immediately before the commencement of that Schedule continues to apply.

Superannuation Act 1976

18 Subsection 3(1) (definition of child)

Repeal the definition, substitute:

child, in relation to a person who has died, means:

(a) a child of the person, including:

(i) an adopted child, an ex-nuptial child, a foster child, a stepchild or a ward, of the person; and

(ii) someone who is a child of the person within the meaning of the Family Law Act 1975; or

(b) a child of a spouse of the person, including:

(i) an adopted child, an ex-nuptial child, a foster child, a stepchild or a ward, of the spouse; and

(ii) someone who is a child of the spouse within the meaning of the Family Law Act 1975.

19 Subsection 3(1) (definition of late short-term marital relationship)

Repeal the definition (including the note).

20 Subsection 3(1)

Insert:

late short-term marital or couple relationship, in relation to a deceased retirement pensioner, means a marital or couple relationship between the pensioner and his or her spouse that began:

(a) less than 3 years before the pensioner’s death; and

(b) after the pensioner became a retirement pensioner and had reached the age of 60 years.

21 Subsection 3(1)

Insert:

marital or couple relationship has the meaning given by section 8A.

22 Subsection 3(1)

Insert:

partner: a person is the partner of another person if the two persons have a relationship as a couple (whether the persons are the same sex or different sexes).

23 Subsection 3(1)

Insert:

spouse has a meaning affected by section 8B.

24 Subsection 3(1)

Insert:

stepchild: without limiting who is a stepchild of a person for the purposes of this Act, someone who is a child of a
partner of the person is the stepchild of the person, if he or she would be the person’s stepchild except that the person is not legally married to the partner.

25 Subsection 8A(1)
After “marital”, insert “or couple”.

Note: The heading to section 8A is replaced by the heading “Marital or couple relationship”.

26 Subsection 8A(1)
After “husband or wife”, insert “or partner”.

27 Subsection 8A(2)
After “husband or wife” (wherever occurring), insert “or partner”.

28 Subsection 8A(3)
After “marital”, insert “or couple”.

29 After paragraph 8A(4)(b)
Insert:

(ba) the persons’ relationship was registered under a law of a State or Territory prescribed for the purposes of section 22B of the Acts Interpretation Act 1901, as a kind of relationship prescribed for the purposes of that section;

30 At the end of paragraph 8A(4)(c)
Add:

or (iii) a child of both of the persons within the meaning of the Family Law Act 1975;

31 Subsections 8B(2) and (3)
After “marital” (wherever occurring), insert “or couple”.

32 Subsections 94(2A), 95(1B) and 96(2A)
After “marital”, insert “or couple”.

33 Subsection 96AB(2) (paragraph (a) of the definition of relevant period)
After “marital”, insert “or couple”.

34 Paragraph 96BA(1)(a)
After “marital”, insert “or couple”.

35 Subsection 96BA(2) (paragraph (a) of the definition of relevant period)
After “marital”, insert “or couple”.

36 Subsection 108A(1)
After “marital”, insert “or couple”.

Note: The heading to section 108A is altered by inserting “or couple” after “marital”.

37 Subsection 108A(5) (subparagraph (a)(i) of the definition of relevant period)
After “marital”, insert “or couple”.

38 Paragraph 109AB(2)(c)
After “marital”, insert “or couple”.

39 Paragraphs 109AB(3B)(b), (3C)(a) and (b), (5)(c), (5A)(b), (5B)(a) and (b)
After “marital”, insert “or couple”.

40 Paragraphs 110(4)(c) and (d) and (5B)(a)
After “marital”, insert “or couple”.

41 Subparagraph 110(5B)(b)(i)
After “marital”, insert “or couple”.

42 After subparagraph 110(5B)(b)(i)
Insert:

(ia) was not a child of the spouse, and the pensioner, within the meaning of the Family Law Act 1975; or

43 Subparagraphs 110(5B)(b)(ii) and (iii)
After “marital”, insert “or couple”.

44 Paragraph 110(7)(c)
After “marital”, insert “or couple”.

45 Subparagraph 110(7A)(a)(ii)
After “marital”, insert “or couple”.

46 Subparagraph 110(7A)(b)(i)
After “marital”, insert “or couple”.

47 After subparagraph 110(7A)(b)(i)
Insert:

(ia) was, within the meaning of the Family Law Act 1975, a child of the pensioner and the person with whom the pensioner had that marital or couple relationship; or
48 Subparagraphs 110(7A)(b)(ii) and (iii)
After “marital”, insert “or couple”.

49 Paragraph 110(7B)(a)
After “marital”, insert “or couple”.

50 Paragraph 110(14)(d)
Omit “an adopted child, an ex-nuptial child, a foster child, a step-child or a ward”, substitute “a child of a kind referred to in subparagraph (b)(i) or (ii) of the definition of child in subsection 3(1)”.

51 Paragraph 136(2B)(ma)
After “marital” (wherever occurring), insert “or couple”.

52 Application of amendments of the Superannuation Act 1976
The amendments of the Superannuation Act 1976 made by this Schedule apply in relation to a benefit payable under that Act in respect of a person who dies on or after the commencement of this Schedule, if, at the time of his or her death, the deceased person was:

(a) an eligible employee (within the meaning of that Act); or
(b) a deferred benefit member (within the meaning of Division 4A of Part V of that Act); or
(c) a retirement pensioner (within the meaning of that Act).

(2) Schedule 3, items 1 to 17, page 18 (line 5) to page 20 (line 12), omit the items, substitute:

1 Subsection 3(1) (subparagraph (a)(ii) of the definition of child)
Omit “and”, substitute “or”.

2 Subsection 3(1) (after subparagraph (a)(ii) of the definition of child)
Insert:
(iii) was, immediately before the member’s death, someone who would have been the stepchild of the member except that the member was not legally married to a spouse who survives the member; or
(iv) is a child of the member within the meaning of the Family Law Act 1975; and

3 Subsection 3(1) (at the end of the definition of child)
Add:
; and (c) a person who:
     (i) is, within the meaning of the Family Law Act 1975, a child of a spouse who survives the member; and
     (ii) was wholly or substantially dependent upon the member at the time of the member’s death.

4 Subsection 3(1) (definition of eligible orphan)
After “pension”, insert “or spouse pension”.

5 Subsection 3(1)
Insert:
marital or couple relationship has the meaning given by section 6A.

6 Subsection 3(1)
Insert:
partner: a person is the partner of another person if the two persons have a relationship as a couple (whether the persons are the same sex or different sexes).

7 Subsection 3(1) (definition of pension benefit)
After “widow’s pension”, insert “, spouse pension”.

8 Subsection 3(1)
Insert:
spouse has a meaning affected by section 6B.

9 Subsection 6A(1)
Omit “marital relationship”, substitute “marital or couple relationship”.

CHAMBER
Note: The heading to section 6A is replaced by the heading “Marital or couple relationship”.

10 Subsection 6A(1)
After “husband or wife”, insert “or partner”.

11 Subsection 6A(2)
After “husband or wife” (wherever occurring), insert “or partner”.

12 Subsection 6A(3)
After “marital”, insert “or couple”.

13 After paragraph 6A(4)(b)
Insert:

(ba) the persons’ relationship was registered under a law of a State or Territory prescribed for the purposes of section 22B of the Acts Interpretation Act 1901, as a kind of relationship prescribed for the purposes of that section;

14 At the end of paragraph 6A(4)(c)
Add:

; or (iii) a child of both of the persons for the purposes of the Family Law Act 1975;

15 Subsections 6B(2) and (3)
After “marital” (wherever occurring), insert “or couple”.

16 Paragraph 6BA(1)(b)
After “marital”, insert “or couple”.

Note: The heading to section 6A is replaced by the heading “Marital or couple relationship”.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (3.42 pm)—I move:
That the requested amendments be made. Question agreed to.

SOCIAL SECURITY LEGISLATION AMENDMENT (EMPLOYMENT SERVICES REFORM) BILL 2008
Second Reading
Debate resumed from 13 November, on motion by Ms Macklin:
That this bill be now read a second time.

Mr BRENDAN O’CONNOR (Gorton—Minister for Employment Participation) (3.43 pm)—I rise to sum up in this debate. Indeed, before I go to the substantive matters I thank the very large number of members who have taken part in the debate on the Social Security Legislation Amendment (Employment Services Reform) Bill 2008. The bill proposes compliance arrangements that provide a two-way nexus between participation and payment that is genuine mutual obligation not the ham-fisted mutual obligation of those opposite. The new compliance system does not seek to punish job seekers for punishment’s sake. Rather it is a tool to maximise job seekers’ participation in activities that will better assist them obtain employment. This bill introduces a more work-like, no-show, no-pay penalty that will apply when a job seeker fails to comply with a required activity without a reasonable excuse. It retains a deterrent eight-week non-payment penalty for persistent and wilful noncompliance. It predicates payment on the job seekers’ participation. In short, it will be a more effective compliance system than the one it is replacing.

The current compliance system, which the opposition says ain’t broke, has not improved compliance. If the current system were working as the opposition claims, it would result in declining breaches because it would encourage job seekers to meet their requirements and would ultimately support them in getting them off income support and into employment. Yet the number of eight-week non-payment penalties applied has
doubled over the course of just one year, from around 16,000 in 2006-07 to around 32,000 in 2007-08. An effective compliance system should result in improved participation. However, since the introduction of the present compliance system, there has been no improvement in attendance at Job Search training, Job Network interviews or customised assistance. An effective compliance system should clearly link the receipt of income support and the obligation to look for work. Again, the compliance system falls well short. A job seeker can miss up to two weeks of Work for the Dole before any action is taken. Then a job seeker has a chance to reconnect and, if they do, they incur no penalty at all. To use the opposition’s inaccurate stereotype, that is two weeks at the beach without any penalty.

An effective compliance system should provide a timely and proportionate response. Presently there is no real or immediate consequence for deliberately failing to attend activities or job interviews initially. If a job seeker does not turn up to a job interview, there are no consequences. If that same job seeker does not turn up to a second job interview, still nothing happens. Yet, if that job seeker misses so much as an appointment with their provider any time in the 12 months after they failed to turn up the first time, there is no choice but to impose an irreversible eight-week non-payment penalty, effectively suspending participation. There is no doubt in my mind that the lack of an early deterrent, something more than a letter in the mail, is a key reason for the explosion in eight-week non-payment penalties in recent times.

Under the new system, job seekers will receive, proximate to when the breach occurs, a clear message that their actions are unacceptable, resulting in more work-like conduct in the future. The eight-week non-payment penalty will continue to deter persistent and wilful noncompliance. In addition, job seekers who fail to comply with activity requirements will incur a no-show, no-pay penalty. The Liberal opposition is out of touch if it thinks the no-show, no-pay penalty is not enough money to deter a job seeker from noncompliance. One-tenth of a job seeker’s main income support payments—around $44.90—may not seem a large sum to those opposite. The equivalent lost income for those opposite would be around $500 a day for nonattendance. If I may again revert to the opposition’s cheap shots, that is an expensive day at the beach.

To discourage job seekers from leaving employment voluntarily without finding another job, the government will also retain an eight-week preclusion period. In future, we will refrain from labelling this behaviour as a failure warranting a penalty, as presently occurs. Indeed, although it reflects poorly on the shadow minister, I am duty bound to point out that this so-called penalty is the single largest reason for an eight-week non-payment penalty, not failure to attend an appointment or Work for the Dole as he claims.

The opposition has relied on the absurd proposition that the current compliance system is responsible for the recent decline in unemployment. The former minister, the member for Murray, has tried to make an even more ludicrous link between the global financial crisis and the compliance system. The compliance system has nothing to do with employment growth and whether a resources boom or the global financial crisis affects it, and it is scaremongering to suggest otherwise. What we do know is that the current compliance system makes it harder for people to find employment. A departmental survey of job seekers who received eight-week non-payment penalties found that around three-quarters of job seekers reported that having no income support made it harder to look for work. However, they do not have
to look for work. Job seekers serving an eight-week non-payment period under the current compliance system are not required to participate whatsoever in activities that could help them find employment. They do not even have to turn up to Centrelink or their employment service provider. It is no wonder that 75 per cent of job seekers who received an eight-week non-payment penalty went back onto benefits, most of them within a fortnight of finishing their non-payment period.

I also need to correct another falsehood by the opposition members in this debate. I know it has been a while since the member for Murray was the Minister for Workforce Participation, so one could almost forgive her for her blatant mischaracterisation of financial case management. It is not, as she stated, available to all job seekers. In fact, only 4,050 job seekers were eligible for financial case management last year, which is around 10 per cent of all the penalties applied. Indeed, the shadow minister for employment and workplace relations, the member for Stirling, also needs to be better briefed. His contribution reveals his profound ignorance in this area of public policy generally and this bill in particular. He does not understand that we are replacing a limited financial case management scheme with financial hardship provisions. The new provisions apply to all job seekers who incur serious failures but do not have the capacity to participate in compliance activities and also to vulnerable job seekers who are subject to the eight-week preclusion period.

Mr Dutton interjecting—

Mr BRENDA N O’CONNOR—‘Why do we get rid of financial case management?’ he asks. There are two simple reasons. Firstly, it is administratively complex. Secondly, and more importantly, job seekers who receive financial case management currently have no participation requirements. The new financial hardship provisions of the bill will oblige job seekers to continue to look for work or engage in activities that will improve their prospects of finding employment. A job seeker who receives an eight-week non-payment penalty for persistent and wilful noncompliance will have the opportunity to demonstrate a renewed commitment to finding employment by participating in an intensive compliance activity. A job seeker who agrees to participate in an intensive compliance activity will continue to receive income support while they work off their penalty through full-time Work for the Dole or a similar activity for 25 hours per week.

This bill is designed to instil in the job seeker a greater level of personal responsibility. Therefore, the job seeker may suspend the penalty at any time by resuming their activity requirements or attending their reconnection appointments. The opposition, I would contend, have misunderstood the essence of this bill, and that has been revealed in this debate. They love inflammatory, demonising language like ‘dole bludger’; they revert to meaningless pop culture references like ‘tough love’; however, to claim that the current compliance regime has helped people escape the poverty trap is contrary to the evidence. Over half the job seekers have been on income support for more than one year, almost half the people on income support in 2001 were still receiving income support in 2007 and three in four young women with little education who were on unemployment benefits in 2001 were still on income support in 2007. Indeed, in less than a decade the proportion of unemployed people who have been on income support for more than five years has increased from one in 10 to almost one in four. This proportion has remained a constant since the introduction of Welfare to Work in 2006. In real terms, this
is an increase from 75,000 job seekers in 1999 to 106,000 job seekers at June 2008.

Why do we on this side of the House keep using these figures? Because they tell us that people have not been getting the right assistance at the right time in order to be able to put income support behind them. The previous government thought that the way to get those long-term unemployed off income support was to hit them with an eight-week $2,000 stick. They ignored the characteristics of job seekers who remain unemployed. Mental illness, drug and alcohol problems and unstable accommodation are among the vulnerabilities to which substantial numbers of job seekers are subject. Even with the supposed protections in the current system, the lack of discretion available inevitably means harsh outcomes. More than one in 10 job seekers who had received an irreversible eight-week non-payment penalty had reported a mental illness. This figure is likely to understated the scale of the problem because of the difficult issue of job seekers not wanting to disclose personal issues. The current compliance system takes vulnerable people and makes them more so. The departmental survey of eight-week non-payment penalty recipients found that over half of these job seekers had failed to pay rent or board on time and around 15 per cent of this group were evicted as a result. It is difficult to see how anyone could think this tackles poverty, let alone helps people find work.

The compliance system proposed by this bill allows us to distinguish between someone who does not want to meet their obligations and someone who cannot meet their obligations. Unlike the present automatic three strikes rule, a job seeker will trigger a comprehensive compliance assessment when they miss three appointments or six days of activity in a rolling six-month period. Centrelink will use the comprehensive compliance assessment to consider a job seeker’s circumstance to determine whether there is a reason for noncompliance, such as episodic mental illness, before applying any penalty. Furthermore, providers will be able to exercise their professional judgement about whether to report behaviour as a no-show, no-pay penalty or reconnection failure. A provider can use alternative means of maintaining participation if they reasonably believe that there is a better way to ensure a particular job seeker is moving towards employment.

The new employment services will provide job seekers with the right mix of training, work experience and other support they need to find and keep work. The new employment services will support innovation and will ensure job seekers meet the needs of employers. The new compliance arrangements and other measures proposed by this bill will form an important part of the new system. This government, along with most Australians, believes that a person on income support should make every effort to find work. Governments should and will support job seekers who do the right thing. Job seekers who do not do the right thing should not expect to receive income support. This is the fundamental principle underpinning mutual obligation. This is the fundamental principle underpinning the compliance system proposed in the Social Security Legislation Amendment (Employment Services Reform) Bill 2008. This bill is a key component of the government’s employment participation agenda and I urge all members to support it.

Question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Dr SOUTHCOTT (Boothby) (3.56 pm)—by leave—I move opposition amendments (1) to (7):
Monday, 24 November 2008  HOUSE OF REPRESENTATIVES  11059

(1) Schedule 1, page 3 (line 2) to page 27 (line 19), omit the Schedule.

(2) Schedule 4, item 2, page 61 (lines 8-9), omit the item.

(3) Schedule 4, item 3, page 6 (lines 10-11), omit the item.

(4) Schedule 4, item 4, page 6 (lines 12-26), omit the item.

(5) Schedule 4, item 5, page 6 (lines 27-28), omit the item.

(6) Schedule 4, item 8, page 7 (lines 3-15), omit the item.

(7) Schedule 4, item 9, page 7 (lines 16-29), omit the item.

In addressing the Social Security Legislation Amendment (Employment Services Reform) Bill 2008 it is important to remember the role of employment services. Employment services are the oil which reduces the friction in the labour market. In Australia we have a system of contracted employment services involving a balance between the incentives for employment service providers, support for job seekers, compliance measures and ultimately, as a last resort, sanctions. What we have seen over a 10-year period is that the Job Network has been highly successful. It reduced unemployment from 7.7 per cent in May 1998 to a low point of just below four per cent in February this year. But that is not the view of everyone, because the Minister for Employment Participation will always be famous as the guy who said in May 2008:

‘The Job Network is no longer suited to a labour market characterised by lower unemployment …’

That was the quote from the Minister for Employment Participation in May 2008 in a discussion paper—and his colleague is looking very grim. And that is actually the central problem. The massive elephant in the room in this discussion is that the model that the minister is proposing was designed for a strong labour market. It will not work in a labour market that is characterised by rising unemployment. It will not work in a labour market that is characterised as a soft labour market. So the minister’s quote ‘The Job Network is no longer suited to a labour market characterised by lower unemployment …’ will be remembered in the future as like the IBM executive saying that there was only a market for five personal computers or the guy at Western Union saying that the horse and buggy days were here to stay and Ford was no threat.

The central problem here is that there is a complete lack of early intervention in their new model. Under Labor’s proposed replacement for the Job Network, 12.8 per cent of the funding for employment services will go to the vast majority of job seekers—61 per cent of new job seekers—who will be classified as stream 1. Frank Quinlan, the Executive Director of Catholic Social Services Australia, has said:

The Government is not prepared for this influx of job-seekers at all. Their scheme and their funding is premised on new job-seekers being easily able to find another job, but jobs won’t be so easily available now, and it is not clear how they intend to cope with that.

He can see the problem that is obvious to everyone in employment services: the new model will simply fail in an environment of rising unemployment. The Job Network was successful in dramatically reducing unemployment.

There are a lot of other aspects of the new employment services model. Community, Work for the Dole, team based projects will be a thing of the past under Labor’s replacement for the Job Network. Green Corps, as a youth development program, will be a thing of the past.

This bill deals mainly with the compliance measures for the new employment services model. The purpose of these compliance
measures is to assist and encourage job seekers to move from welfare to work. For example, in the Netherlands temporary benefits sanctions have been found to substantially increase the transition rate from welfare to work. My question to the Minister for Employment Participation is: what evidence is there that the no-show, no-pay model will see improved employment outcomes and improved transition? We do not want ideological arguments; we want the actual analysis. We want objective analysis to show us that the new system proposed by the government will see improved rates of transition from welfare to work.

Compliance measures and sanctions have been a feature of the Australian welfare system since the unemployment benefit was introduced in 1945. The no-show, no-pay failure will be the lightest sanction ever applied by any Australian government.

Mr BRENDAN O’CONNOR (Gorton—Minister for Employment Participation) (4.02 pm)—I rise to oppose the amendments. The amendments would fundamentally alter the intention of the Social Security Legislation Amendment (Employment Services Reform) Bill 2008. The amendments would contradict the intentions of the government to improve opportunities for job seekers in this country. I have to refute the assertions made by the shadow minister that the changes would not be suited to all circumstances. In fact, the employment services model proposed by the government is a demand driven system. It will focus on the particular needs of job seekers. That is why we have removed the complexity and the levels of red tape that have become a great burden for providers. Instead of having providers focused on job seekers, we have a current arrangement that has those providers focused on accounting for their expenditure and spending all of their time reporting rather than dedicating their efforts towards helping job seekers.

We have had to streamline the way in which the services operate. We have seven programs which bear very little resemblance to each other. As a result, it is a very difficult task for employers to navigate their way through the programs to match their needs with job seekers who are looking for work. There is certainly a lack of coherence around the arrangements. That is partly due to the fact that the previous government, rather than making substantive reforms when required, just continued its tack of small changes and therefore did not really fundamentally tackle the problems.

What I have said all along, and will continue to say, on behalf of the government is that these proposals will improve the opportunities for job seekers. The job seeker classification instrument will allocate people according to their needs. There will be four simple streams in the process. Those streams will be based on relative needs of job seekers. There will be a broader notional account, the Employment Pathway Fund, which will replace the job seeker account. As we also know, in combination with this particular bill there is to be a great deal more resources provided for job seekers who are undergoing training, particularly accredited training. Why do we need that? We have been told by employers that we need a work-like culture in this area. They believe that the current arrangements do not provide for the needs of employers and do not assist employers matching up with job seekers. So we have, on the one hand, much greater access to accredited training, which is determined by an employer driven system through Skills Australia. That runs alongside the new compliance arrangement—and that is why I do refute the assertions made by the member opposite—which also provides a work-like culture.
The member opposite’s main charge, I would have to say, is that the arrangements that we would put in place would prevent early intervention. That could not be further from the truth. The fact is that the no-show, no pay culture intervenes early in the failure to participate by a job seeker. But the intervention is a measured response. The problem at the moment is that there is a letter in the mail to provide one warning but there is no penalty whatsoever. Then there is a second letter in the mail, which is hopefully read by the job seeker, but again no penalty whatsoever. Then you have the third strike of an irreversible, eight-week non-payment period. As I have indicated in the summing up, that has lead to all sorts of adverse consequences and it certainly has not led to the likelihood of those job seekers finding work. But I can tell you this: it has lead to greater evictions of people from their homes, particularly people whose accommodation is precarious, and it has lead to allowing people who have diagnosed mental illnesses to be placed in more difficult circumstances. Indeed, the eight-week non-payment period does not require any form of participation whatsoever by the job seeker, so it does not even ensure greater engagement in order to get off welfare and into work. So, for a whole host of reasons, this bill is required. It brings substantive changes to the outdated, red tape ridden Job Network system and it will be a better thing for job seekers, a better thing for employers and a much better thing for this country.

Dr SOUTHCOTT (Boothby) (4.07 pm)—I think the Minister for Employment Participation has misunderstood me. Essentially, in the employment services model that is being proposed, there are no placement fees for stream 1 job seekers who have been out of work for up to three months and there are no outcome payments for stream 1 job seekers who have been out of work for up to 12 months—that is, for people who are in the stream 1 job seeker stage. The problem is this. In a climate where on 1 July next year there may be as many as 100,000—and the number may be as high as 200,000—more Australians out of work, we are using a model that was designed for low unemployment and a strong labour market. My concern is that you will have job seekers falling between the two stools. The whole premise has been that the labour market is so strong that stream 1 job seekers will be able to find a job themselves; that they will not need much assistance from an employment service provider. That is one of the problems. We have a contracted employment services model and it has worked very well, but you need to get the balance right between all of those things—that is, the support for job seekers, the incentives for employment service providers and the compliance regime.

If we look at the top five reasons for failure by failure type and at how they will be treated in the future, included are these three reasons. Failure to comply with an activity agreement with the provider will now be treated as a no-show, no-pay failure. Unsatisfactory attendance at a Work for the Dole project will now be treated as a no-show, no-pay failure. Failure to attend a Work for the Dole interview will also be treated as a no-show, no-pay failure. Taken with the generous discretion at the level of Centrelink and the employment service providers, these are unlikely to make any change to the behaviour of job seekers at all. Missing a day’s Work for the Dole, for example, will see a job seeker on the single rate of Newstart allowance lose $44.93. That is for missing a day’s Work for the Dole or another work experience program with no excuse. Such a small sanction is unlikely to have the desired effect, which is to encourage job seekers to look for work and get off welfare.
The previous government had a system of sanctions, with financial case management for the severely disadvantaged. Very few people received eight-week sanctions, and that sanction was only for three breaches without an excuse. Labor are moving to a system of insignificant sanctions with widespread discretion to not apply the sanctions but are removing financial case management at the same time. There is an inherent contradiction to this weakening of mutual obligation by the government. On the one hand, the Rudd government are talking up their quarantining of welfare for the parents of truants. On the other, they are dismantling this very system for job seekers. It is almost as if the Minister for Employment Participation has not received the message from the hollow men in the Prime Minister’s office.

Another issue is the treatment of job interviews. Incredibly, missing a job interview will mean a no-show, no-pay failure. A job seeker will lose $44.93 for missing a job interview. There will be no other consequences. It is possible to miss six job interviews in a six-month period without any real repercussions. Missing a job interview is a serious failure to look for work and should be treated as such. In their submission to the Senate committee examining this bill, the National Employment Services Association felt that missing a job interview—

Mr Shorten interjecting—

Dr SOUTHcott—So the member for Maribyrnong thinks it is acceptable to miss a job interview?

Mr Shorten—No, but I do think—

Dr SOUTHcott—That is outrageous. That is simply outrageous. In their submission to the Senate committee examining this bill, the National Employment Services Association said that missing a job interview should be regarded as a serious failure. It is being treated far too leniently in this model and needs to be addressed. The opposition does not support the introduction of no-show, no-pay failures. They are the lowest sanction our welfare system has ever had and the lowest I have been able to find anywhere in the world. Over the years, various governments have had sanctions ranging from two weeks to six weeks to eight weeks to 12 weeks. The British Labour government have just gone for a much tougher compliance regime. It is incredible that the Labor Party here are going in a different direction. The Labor Party are in fact proposing a new level of sanction, which is a level of sanction for one day. Taken with the widespread discretion envisaged in this bill, it is likely that this penalty will rarely be applied and, if it is, will not encourage improved behaviour, which is the object of the—(Time expired)

Mr BRENDAN O’CONNOR (Gorton—Minister for Employment Participation) (4.12 pm)—I do not want to take up the time of the parliament, and I do not want to keep repeating myself. I did say this in summing up the second reading debate on this bill, but obviously the shadow minister was not listening. It is important to get the penalty right. I think it is important to work out what measure we require to have an influence over the behaviour of people, including job seekers. Of course we have to get the penalties right. The shadow minister refers to the no-show, no-pay penalty as not being sufficient. But I would like to remind the shadow minister that currently a person can miss an interview, be in breach and receive no more than a letter warning them that, if they have another breach, they will get warned again. Finally, a third breach will see an eight-week, irreversible non-payment. But there is no penalty attached to the first two warnings under the current arrangements. The reason why that is a problem is that, if they are not in any way materially affected, people do not

CHAMBER
fully understand that not complying is going to lead to a withdrawal of income.

That is why we have designed a work-like approach to the compliance arrangement. It will mean that a person who misses a day of activities without reasonable excuse will lose a day’s income, just like would happen in a job. That is exactly the way in which we believe we can assist job seekers to realise that their actions have consequences. Currently, you can miss an activity and not have any adverse material effect. I would also like to indicate that the government consulted widely in relation to these matters and in relation to the new compliance arrangements being proposed by the bill. Indeed, we have had support from NESA, the peak employment provider body. We have spoken to employers, and I can tell you that employers would like to see a more work-like approach to the compliance arrangements for job seekers.

The shadow minister opposite refers to Frank Quinlan from Catholic Social Services. Can I say that, whilst Catholic Social Services do not agree with everything we do, I know in the main they are very happy with the changes we are making to the employment programs. Indeed, they certainly believe we are moving in the right direction in relation to compliance. They have no time for the current arrangements, which of course is something that was sadly forgotten in the contribution made by the member for Boothby today.

I believe it is important for the shadow minister and the opposition to understand that within 12 months we have seen a doubling in the number of eight-week non-payment penalties. There have been more people affected by the eight-week non-payment penalty this year than in any other year. A significant proportion of those people suffer great harm as a result of having that penalty inflicted upon them. I do not think it is the intent of people for them to suffer great harm, but that is what happens. In many cases people are evicted from homes because of this penalty. There is a significant proportion of people who cannot pay their rent and therefore their accommodation is under threat. There are people who have not been diagnosed and people who have been diagnosed with mental illness who have had this penalty applied to them.

What we want to do is ensure that the arrangement allows for people to re-engage. That is why we say that whilst wilful and persistent noncompliance will attract the eight-week penalty—and that is why we have kept it—we want to focus on re-engagement. So we say to people, ‘If you re-engage and undertake 25 hours activity throughout the course of the week, equivalent to a full-time Work for the Dole program, then you can resume your income.’ What is the gain in having people lose income, not participate with their provider, not participate with Centrelink and find themselves, one way or another, a greater burden on the state and social services because they cannot afford to stay in their homes? That is why we have struck the balance. I think the balance is right. I believe the opposition should reconsider the bill. We cannot support the amendments because they fundamentally change the intention of the government. (Time expired)

Mr KEENAN (Stirling) (4.17 pm)—I rise to support the amendments. In doing so I would like to take the House back to even just a few short years ago when in Australia we had a chronic problem of long-term unemployment. This is without a doubt the most stubborn unemployment that we need to deal with in Australia. Once you have been long-term unemployed it is more and more difficult over time to get you to reconnect with the workforce. The Howard gov-
ernment, as well as creating two million jobs over the life of that government, had incred-
ible success in helping the long-term unem-
ployed find work—and that is an extraordi-
narily difficult thing to do. We had tremen-
dous success in tackling what is ultimately
the scourge of long-term employment. This
is the unemployment that can be handed
down from generation to generation, that
damages the social fabric of the communities
where people find themselves unemployed
for long periods of time.

We have an extraordinarily generous wel-
fare system in Australia. However, to main-
tain this system we need to ensure that peo-
ple recognise that the welfare system has to
be used as a safety net. It is never intended to
be a way of life. It is never intended to sup-
port people from cradle to grave. We must
ensure that those who are capable of work do
work and that they are given every opportu-
nity to fulfil their potential within the work-
force. That is not just for society; that is also
to benefit them as individuals. In Australia
we like to see people reach their full poten-
tial, and that was the whole point of what
Welfare to Work was about. It was not a pu-
nitive system; it was about assisting people
to get back into the workforce. And, quite
frankly, appropriate compliance measures are
part of that just welfare system. We have an
interlocking system that is based on incen-
tives, welfare and assistance in job search,
and appropriate compliance measures are
designed within the system to best meet the
interests of both job seekers and the com-
nunity supporting them. That was the whole
point behind Welfare to Work. It emphasised
mutual obligation, whereby, in return for
income support payments, people were
helped to find employment. But job seekers
were also expected to play their part in seek-
ing work and to participate in activities that
were designed to benefit the community that
supported them.

The problem with Labor’s model is that
there are three types of participation failures:
no-show, no-pay failures; connection fail-
ures; and serious failures. Under this pro-
posal, connection failures will be applied
when a job seeker does not attend appoint-
ments with their employment services pro-
vider or they do not comply with the re-
quirements in the employment pathways
plan. A connection failure will not incur a
financial penalty in the first instance but will
instead trigger a reconnection appointment,
giving the job seeker 48 hours to make con-
tact and reschedule the appointment. If they
fail to attend this reconnection appointment
they will lose their payments until they make
contact. If a job seeker were to incur three
such failures in a six-month period, they
would be referred to a comprehensive com-
pliance assessment. This no-show, no-pay
proposal shows a total disregard for any sort
of reciprocal, mutual obligation. Under this
proposal job seekers who fail to attend a
work experience activity such as Work for
the Dole will lose a day’s pay. At present,
that equates to about $45 a day for a single
person on the maximum rate of Newstart
allowance. If they incur six failures within a
six-month period—that is one failure a
month—they will be referred to a compre-
hensive compliance assessment.

I echo the point made by my colleague the
member for Boothby, the shadow minister,
that if a job seeker has a job interview lined
up by their employment services provider
and they fail to attend, this will be classified
merely as a no-show, no-pay failure. Under
Labor’s system they will actually be able to
miss one job interview a month before being
referred for a comprehensive compliance
assessment. Once they have had this assess-
ment, regardless of the outcome of that as-
essment, the clock starts over again. So you
can miss a job interview once a month. I find
that extraordinary. Our welfare system relies
on having appropriate compliance measures in place. These measures water down those appropriate compliance measures and therefore they water down the whole framework of Welfare to Work and we reject them. (Time expired)

Mr BRENDAN O'CONNOR (Gorton—Minister for Employment Participation) (4.22 pm)—I will not take up the entire time allotted; I just want to respond to the shadow minister who just rose to contribute to the debate on the amendments. I remind the House that, in relation to the very long term unemployed, things have not got better in the last decade; they have got worse. In 1998 there were one in 10 jobseekers defined as very long term unemployed. It is now almost one in four—

Mr Keenan—The point is there is a lot—

Mr BRENDAN O'CONNOR—I say to the member for Stirling, who now wants to try a better argument because he failed for the last five minutes to say anything of any cogency: the fact is that it is not just the proportion that has changed, otherwise his argument might have some bearing; the numbers have changed. There has been a numerical increase from 75,000 to 110,000 this year in the very long term unemployed. So both in proportionate terms and numerical terms, the figure for the very long term unemployed has risen and this was at a time of the most unprecedented boom in the minerals industry. We had a modern-day gold rush and the previous government failed to address the concerns of the very long term unemployed and that is why that figure grew both by proportion, as I have said, and by number. So I have to refute the assertions made by the shadow minister opposite.

I do agree with him, however, that it is a real problem and we have to get it right. We have to make sure that if people have the capacity to work then we have to find new ways to ensure they work, because currently, under the arrangements that are in place, it is not working. Every time that unemployment fell while we were in opposition, every one of us welcomed the decline—as we should. But I can tell you now that when I was appointed minister in this portfolio I was surprised to learn the extent to which the previous government failed to address the concerns of the very long term unemployed. That is why we have changed the arrangements to allocate resources pertinent to the needs of job seekers. We have now shifted some resources to ensure that those job seekers are indeed provided with better opportunities so that they get off income support and get into work.

I say in relation to the member for Boothby’s comments earlier about those people in stream 1 not being provided resources: we do not need resources being provided if those job seekers are work ready. We do not need to provide too many resources in one area when people are entirely capable of finding work and at the same time neglect those people who have vocational and non-vocational barriers to employment. That would be a nonsense. There is a thing called deadweight loss. If the member for Stirling wants to understand it, deadweight loss is wasting resources by allocating them in a way that will not change the outcome whatsoever. The taxpayers of Australia would not want us to do that. We will not do that. Instead, we have made sure that the resources provided are based on the needs of job seekers. This is the result of extensive consultations throughout this country with job seekers, employers, employment service providers and registered training organisations, and they all agree we have to do more to focus on those people who have great disadvantage.
I have heard the arguments by those opposite and I do not agree with any of the arguments they have put. Those points are wrong, the arguments are weak and the facts are quite often wrong. I ask the opposition to reconsider their position in relation to this bill as they would be doing employers and jobseekers a disservice in this country if they did not support the government’s bill.

Dr SOUTHcott (Boothby) (4.27 pm)—According to the Department for Education, Employment and Workplace Relations labour market and related payments monthly report, the number of long-term unemployed fell from 205,212 in June 2006 to 146,533 by August 2008. That is the department’s own figures from their labour market and related payments monthly report. That represents a drop of almost 30 per cent in just over two years. Also in response to the minister’s comments about stream 1—the job ready job seekers—on the department’s own figures they still estimate that 34 per cent of those job seekers will still be unemployed in 12 months time. With the lack of support that will be there for stream 1 job seekers, there is a real concern that they will just be languishing there for 12 months. There will be no incentives to connect them up with a job. I might say those figures are based on historical figures. They do not take into account what seems to be a consensus amongst market analysts that we will have rising unemployment, we will see more Australians lose their job over the next 12 months and we will see higher unemployment over the period that we are considering.

But the reality is this: in order to sustain our welfare system we must be assured that it is appropriately fair. By this I mean we provide support to those who need it and in return they accept their responsibility to actively seek work. Labor’s model does nothing but encourage increased welfare dependency by watering down mutual obligation to the extent it provides no real incentive for people to attend their appointments. By watering down mutual obligation, we are condoning people not turning up to Work for the Dole, provider appointments or even job interviews. There will always be those who want to push the boundaries, and by loosening mutual obligation requirements like this more and more jobseekers may be encouraged to do so.

Labor has not made the case for watering down the compliance regime. We need to ensure that the system is firm but fair. The current system is fair. Sanctions are a last resort. Safety nets are in place to ensure that job seekers are not penalised if they have a reasonable excuse for failing to engage. Financial case management is offered to ensure that vulnerable job seekers do not lose their accommodation and remain able to support their families during any non-payment period. But Labor’s proposal does away with financial case management.

Of further concern is the decision to empower the departmental secretary to use legislative instruments to determine whether a job seeker is in breach of their mutual obligations. The parameters determining these guidelines should be set out within the act to ensure consistency and should not be determined on the whim of the secretary or the minister. Legislative instruments will grant discretion to the departmental secretary to determine whether someone should be exempt from mutual obligation. This allows for enormous discretions at all levels—at the level of the minister, the department, effectively Centrelink and employment service providers. The effect of this will be that very few people will incur a no-show, no-pay failure, ultimately giving job seekers the impression that the system does not really require them to engage with mutual obligation.
I conclude where I began: Job Network was very successful in reducing unemployment. It was a very bold reform; it was a bold innovation. Australia, when it went down this path in active labour market programs, was doing something that no other country around the world had done. What we see in the net impact studies for the Job Network and all of the labour market programs is that they are amongst the world’s best. It does require a very fine balance between the incentives that are there for employment service providers to connect up job seekers with a job, the support that we provide for job seekers, the compliance regime and ultimately as a last resort the sanctions. We argue as the opposition that Labor have got this balance wrong and that their employment services model will not work in an environment with rising unemployment where more Australians are likely to lose their jobs, where we could see up to 200,000 more Australians out of work by the time this employment services model begins. It is for those reasons that we support these amendments. We do not support Labor’s weakening of mutual obligation and the no-show, no-pay failures.

Question put:

That the amendments (Dr Southcott’s) be agreed to.

The House divided. [4.36 pm]

(The Deputy Speaker—Ms AE Burke)

Ayes……………. 57
Noes……………. 73
Majority………. 16

AYES
Abbott, A.J. Andrews, K.J.
Bailey, F.E. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Briggs, J.E. Broadbent, R.
Chester, D. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Coulton, M. Dutton, P.C.
Farmer, P.F. Forrest, J.A.
Georgiou, P. Haase, B.W.
Hartseyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Hunt, G.A.
Jensen, D. Johnson, M.A. *
Keenan, M. Laming, A.
Ley, S.P. Lindsay, P.J.
Macfarlane, I.E. Marino, N.B.
May, M.A. Mirabella, S.
Morrison, S.J. Nelson, B.J.
Neville, P.C. Pearce, C.J.
Pyne, C. Ramsey, R.
Randall, D.J. Robb, A.
Robert, S.R. Schultz, A.
Scott, B.C. Secker, P.D.
Simpkins, L. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Truss, W.E. Vale, D.S.
Washer, M.J. Windsor, A.H.C.
Wood, J.

NOES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.S.
Butler, M.C. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Crean, S.F.
D’Ath, Y.M. Danby, M.
Debus, B. Dreyfus, M.A.
Elliot, J. Ellis, A.L.
Emerson, C.A. Ferguson, L.D.T.
Garrett, P. Georganas, S.
George, J. Gibbons, S.W.
Gray, G. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. * Hayes, C.P. *
Irwin, J. Jackson, S.M.
Kelly, M.J. Kerr, D.J.C.
King, C.F. Livermore, K.F.
Macklin, J.L. Marles, R.D.
McClelland, R.B. McKew, M.
McMullan, R.F. McKern, D.
Murphy, J. Melham, D.
Neumann, S.K. Neal, B.J.
Parke, M. O’Connor, B.P.
Pilbersek, T. Perrett, G.D.
Raguse, B.B. Price, L.R.S.
Rea, K.M.
Ripoll, B.F.
Roxon, N.L.
Shorten, W.R.
Smith, S.F.
Sullivan, J.
Symon, M.
Thomson, C.
Trevor, C.
Zappia, A.

Rishworth, A.L.
Saffin, J.A.
Sidebottom, S.
Snowdon, W.E.
Swan, W.M.
Tanner, L.
Thomson, K.J.
Turnour, J.P.

* denotes teller

Question negatived.

Question put:
That the bill be agreed to

The House divided. [4.43 pm]
(The Deputy Speaker—Ms AE Burke)

Ayes.............. 73
Noes.............. 57
Majority.......... 16

AYES
Adams, D.G.H.
Bevis, A.R.
Bird, S.
Bradbury, D.J.
Butler, M.C.
Campbell, J.
Cheeseman, D.L.
Collins, J.M.
D’Ath, Y.M.
Debus, B.
Elliot, J.
Emerson, C.A.
Garrett, P.
George, J.
Gray, G.
Griffin, A.P.
Hall, J.G. *
Irwin, J.
Kelly, M.J.
King, C.F.
Macklin, J.L.
McClelland, R.B.
McMullen, R.F.
Murphy, J.
Neumann, S.K.
Parke, M.
Plibersek, T.
Raguse, B.B.

Ripoll, B.F.
Roxon, N.L.
Shorten, W.R.
Smith, S.F.
Sullivan, J.
Symon, M.
Thomson, C.
Trevor, C.
Zappia, A.

Rishworth, A.L.
Saffin, J.A.
Sidebottom, S.
Snowdon, W.E.
Swan, W.M.
Tanner, L.
Thomson, K.J.
Turnour, J.P.

* denotes teller

Bill agreed to.

Third Reading

Mr BRENDAN O’CONNOR (Gorton—Minister for Employment Participation) (4.46 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.

Bill read a third time.

CHAMBER
Monday, 24 November 2008   HOUSE OF REPRESENTATIVES

TAX LAWS AMENDMENT (2008 MEASURES No. 5) BILL 2008

Second Reading

Debate resumed.

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (4.47 pm)—by leave—It gives me pleasure to conclude the debate on the Tax Laws Amendment (2008 Measures No. 5) Bill 2008. I thank all honourable members who have made a contribution to the debate. I note the support of the opposition and their supportive comments. The GST and the sale of real property measure are important for the integrity of the GST system. It will ensure that the GST is consistent with the policy intent of that system in that it applies to the value added to real property by registered entities from 1 July 2000. The interaction of the existing margin scheme provisions with other provisions allows some transactions to be structured to avoid paying GST on the full value added to the property. These tax minimisation opportunities would pose a substantial and growing risk to the revenue if they were allowed to continue. The amendments will ensure that the appropriate amount of GST is collected on sales of real property.

The amendments have been drafted in close consultation with industry to avoid unintended consequences and to minimise compliance costs. The changes will only apply prospectively from the date of royal assent, so as not to impact on existing contractual arrangements. There is no reason to expect that the amendments will have any significant impact on house prices. The section of the housing market directly affected by the integrity measure is relatively small compared with the whole housing market. In any event, the amendments will ensure a level playing field for participants in the property industry.

Schedule 2 modifies the thin capitalisation rules to enable entities in certain circumstances to depart from the accounting standards in identifying and valuing assets and liabilities for thin capitalisation purposes. The amendments will adjust for certain impacts of the 2005 adoption of the Australian equivalence to the International Financial Reporting Standards of the thin capitalisation position of complying entities.

Schedule 3 makes bonds issued in Australia by state and territory central borrowing authorities eligible for exemption from interest withholding tax. This amendment will result in state and territory central borrowing authorities being able to bring their offshore bond issuances onshore, unifying their issuances into one pool of funds and improving the depth and liquidity of the market. This should lead to a lower cost of capital and financing costs for the states and territories and aid in easing some of the pressures currently faced by the Commonwealth government securities market.

Schedule 4 corrects an anomaly in the fringe benefits tax law to ensure that the amount of fringe benefits associated with jointly held investments is able to be appropriately calculated. Under certain salary sacrificing arrangements, associates of employees can receive a share of a fringe benefit made available to an employee. The current anomaly is that the associate share of the fringe benefit may often not be considered in the calculation of fringe benefits tax. But, as announced in this year’s budget, the law which allowed this type of arrangement to occur will be amended in order to improve the fairness and integrity of the fringe benefits tax system by ensuring that the FTB law recognises the benefit being provided to associates of employees who hold investment assets jointly with the employees.
Following consultation with the community, the government decided to implement this measure in the time frame originally announced. This measure will have effect from 7.30 pm Australian Eastern Standard Time on 13 May 2008. There will be a transitional period for employees who have already entered into salary sacrificing arrangements with their employer. Arrangements that were put in place prior to the announcement will be able to continue under the existing law until 1 April 2009—that is, the end of the current fringe benefits tax year. This will provide time for employers and employees to adjust salary packages as appropriate for those private arrangements.

Schedule 5 implements the amendments to the eligible investment business rules for managed funds contained in division 6C of the Income Tax Assessment Act 1936. These amendments were designed following extensive consultation with the managed funds industry and professional bodies. The changes clarify the scope and meaning of investing in land for the purpose of deriving rent; introduce a 25 per cent safe harbour allowance for non-rental, non-trading income from investments on land; expand the range of financial instruments that a managed fund may invest in or trade; and provide a two per cent safe harbour allowance at the whole-of-trust level for other non-trading income. The safe harbours are designed to make it easier for managed funds to know if they are complying with the eligible investment business rules and to reduce the scope for funds to breach these rules inadvertently. They will lower compliance costs for industry and the Australian Taxation Office as well as taxpayers.

These amendments are part of the government’s plan to make Australia a financial services hub in the Asia region. To date, the government has taken action on a number of fronts to further this objective, including reducing the level of withholding tax on distributions from Australian managed funds to non-resident investors and instigating the Board of Taxation review into the taxation arrangements applying to managed investment funds. As the board’s review will take some time, the government has introduced these amendments as an interim measure pending the outcome of the board’s review. The scope of these changes is limited to be consistent with the current policy framework so as not to pre-empt the outcome of the board’s review. Nevertheless, the amendments are an important step in modernising this area of the law and this important area of government priority. I thank the opposition for their support and commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr Bowen (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (4.53 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

FAMILY LAW AMENDMENT (DE FACTO FINANCIAL MATTERS AND OTHER MEASURES) BILL 2008

TRADE PRACTICES LEGISLATION AMENDMENT BILL 2008

OFFSHORE PETROLEUM AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (ANNUAL FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008
OFFSHORE PETROLEUM (REGISTRATION FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (SAFETY LEVIES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

Assent

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

AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY BILL 2008

Second Reading

Debate resumed from 23 October, on motion by Ms Gillard:

That this bill be now read a second time.

Mr Pyne (Sturt) (4.54 pm)—In her second reading contribution on the Australian Curriculum, Assessment and Reporting Authority Bill 2008, the Deputy Prime Minister said:

This bill is yet another illustration of how this government is getting on with the job of delivering an education revolution to Australia.

The fact of the matter is one year to the day into the Rudd government we have seen the education revolution become a hopeless failure—a 24-hour uprising where the revolutionaries have skived off the barricades to have a good night’s sleep at home. It is a revolution born in spin and propaganda, devoid of substance and lacking in real delivery. The abject failure of these central measures of the education revolution has been a major disappointment to parents, students and teachers alike.

We all remember the election time one-liners: a computer on every desk, a trades training centre in every school. It was one year and 10 days ago at the ALP campaign launch on 14 November 2007 that the Prime Minister promised the following:

Labor will undertake a groundbreaking reform by providing for every Australian secondary school student in Years 9 to 12 access to their own computer at school.

He held up a laptop computer. All of the weasel words in the world cannot get those words out of the public record. If he did not want to promise each student their own computer, he should not have done so. The government has abandoned that promise. After 12 months of Labor, less than 10 per cent of public schools have benefited from the computers in schools program. The target ratio has gone from being a computer for every student to a computer for every second student.

Meanwhile, the computers in schools program is a centrepiece not only of the failure of the education revolution but also of the failure of another of the Prime Minister’s key election promises: cooperative federalism. Cooperative federalism only ever had a hope of working if both parties came to the table with goodwill and reasonable expectations. In relation to computers in schools, the Rudd government went to the COAG table with an election promise and then asked the states to pay for it. The Deputy Prime Minister has spent most of this year arguing with the states over who is paying for the on-costs of the computers in schools: the installation, IT support, the software, the networking, the staff training—everything that makes the computers work. By not meeting these extra costs, the government is providing only 20 to 25 per cent of the funds needed to pay for his election promise, demanding that the states, local schools or even parents find the money to make the computers run once they have been delivered.

It is a nice trick to get elected on a promise of an education revolution and hide in the
fine print that someone else is going to pay for it. If only the Howard government had had that opportunity. The member for Higgins might have had a much easier job over 12 years if only we had realised in 1995 that the secret to government is to make somebody else pay. Can you imagine? With the 1996 budget facing a $10 billion black hole and $96 billion of debt, the member for Higgins could have sat back, relaxed and said that the New South Wales Carr government was going to have to take care of it. The tough decisions of government would have been so much easier if only we had asked someone else to pay for them. The expensive business of government comes much cheaper if only you ask someone else to make the tough decisions.

But this fantasy approach to politics only exists for the Deputy Prime Minister. The states are not buying into it and schools are not buying into it. That is why, when round 2 of the computers program closed on 9 October, many schools indicated that they would not be applying because of the additional costs associated with the computers. The New South Wales government instructed its schools not to apply for funding in the second round. Other states are taking the computers but only to replace old ones so as to cut down on their costs. This will do nothing to reduce the ratio of computers to students to the new goal of two to one let alone the election promise of one to one. The Deputy Prime Minister tells us that every school will have the opportunity to be involved in a trades training centre, but their promise was a centre in each of Australia’s secondary schools—not one in every 10th school.

Meanwhile, the government has withdrawn support for the Australian technical colleges, a program up and running and proving successful in many communities around Australia. One particularly important aspect of the Australian technical colleges was that they were set up to be led by industry. The importance of business being intimately involved in schooling was highlighted yesterday by Rupert Murdoch’s Boyer lecture. It is remarkable that the Acting Prime Minister would laud Mr Murdoch’s speech and put the blame for our school system’s failings on the former government while it is her government that is abolishing the only program that is really operating along the lines suggested by Mr Murdoch.

The former government increased funding for state government schools in every budget, delivering a funding increase of 70 per cent in real terms between 1996 and 2007. It put the interests of Australian children and their parents above those of the state education bureaucracies and teacher unions. It enhanced the capacity for parents to choose between public and private schools for their children. It established a better funding formula for Catholic and independent schools which ensured that Catholic and independent schools drawing students from the neediest communities received more
funds. It ended the Keating government’s new schools policy that had placed severe restrictions on establishing new non-government schools. In attaching conditions to Commonwealth education funding to the states, the former government also enabled the introduction of literacy and numeracy testing for all students in years 3, 5 and 7. Literacy and numeracy testing trials were also introduced for year 9 students in 2007.

While the public school system is primarily the responsibility of the state governments, the former coalition government’s record is a proud one of engagement, providing record levels of support for teachers, students and parents alike. On the other hand, Kevin Rudd’s education revolution is creating winners and losers, particularly in primary schools, where Labor has cut funding by abandoning the coalition’s $1.2 billion Investing in Our Schools Program. Schools relied on this funding to make up for state government shortfalls and their failure to invest in school infrastructure. I note the member for Canning is in the House, and he, like I and many other members of the parliament, would have been to many openings of Investing in Our Schools programs, which were very popular and very welcomed, particularly by principals and governing councils in primary schools around the country. It is worth noting that both the trades training centres and the computers in schools policies only benefit secondary schools. Only $800,000 will go to primary schools—the first sector up against the wall in Ms Gillard’s revolution.

In its first budget, Labor cut almost $400 million in specific programs targeted at improving standards in literacy and numeracy. The $700 Even Start tuition vouchers program for students who failed to meet the minimum literacy and numeracy benchmarks has been scrapped, the $70 million Summer Schools for Teachers program has been scrapped and the $50,000 rewards for schools that improve literacy and numeracy test results program has also been scrapped. Far from bringing an education revolution, Labor has increased spending on education by less than one per cent. It has simply replaced successful and popular Howard government programs with new bureaucracies delivering the failing computers in schools and trades training centre programs.

The development of a national curriculum is another endeavour that was begun under the Howard government. However, there are some issues with the direction the curriculum has taken under Labor, which I will come to presently. Earlier this year, Labor appointed an interim National Curriculum Board to work on its development of this legislation as it was being prepared. That board appointed working groups in each of the four subject areas being covered by the curriculum: mathematics, English, the sciences and history. The Australian Curriculum, Assessment and Reporting Authority Bill establishes a new Commonwealth body, the Australian Curriculum, Assessment and Reporting Authority, ACARA, to develop and administer the new national curriculum and collect data, providing analysis and research to governments. The government had initially committed separate funding to develop a new national curriculum board of $20 million and $17.2 million for a new independent national schools assessment and data centre. This bill aggregates that funding and incorporates the intended functions of both proposed bodies within one body, ACARA. This new authority will assume powers over curriculum and assessment that are currently with state governments and it will be further empowered by its secondary role as the primary data analysis and research centre in relation to student assessment.

ACARA’s clearest role is the development of a national curriculum. The opposition
supports the concept of a national curriculum, but in the hands of the Acting Prime Minister we are concerned that what should have been a useful framework for teachers, schools, families and students to work within is in danger of becoming increasingly straddled with left-wing dogma. It would be a disaster for Australian students if the Labor Party and its friends in left-wing academia used the national curriculum as an opportunity to hijack schooling in Australia. ACARA has a sincere responsibility to ensure that a truly world-class curriculum is developed free from ideological bias and with a strong foundation in the basics that have been neglected for too many children in recent decades.

Our evidence up to this point on how the curriculum is shaping up is limited to the framing documents released for discussion some weeks ago. I do not wish to dwell on the matter, but the documents have been released for public discussion and the body being established by this bill will be responsible for their further development, so it would be remiss not to make some further observations. Points 10 and 11 of the initial advice document relating to the history curriculum comprise a long list of the key concepts that a national curriculum needs to deal with. The opposition noted at the time the framers’ omission of any recognition of the importance to Australian society of Western civilisation, scientific discovery, the Judaeo-Christian tradition in our community, our commitment to the defence of freedom and the benefits that our British heritage has brought to us, such as our commitment to the rule of law and parliamentary democracy. We are pleased to note that in the framing document released much more recently a number of the opposition’s concerns in this area have been dealt with. I find it odd that these fundamental principles of our history were relegated to secondary importance originally. We will be keeping close watch to ensure their important place in our history is not threatened.

The opposition is also concerned about any move away from a central focus on Australian history incorporating an intelligent balance between both our Aboriginal heritage and the history of European settlement. We will monitor closely the development of the national history curriculum and encourage wide consultation. We cannot allow historical perspective to be captured by a small group of ideologues.

Of equal concern to the quality of the curriculum is that it be sensibly applied, and we are far from convinced of that at the moment. We have seen in the Schools Assistance Bill that the Labor Party wishes to mandate the introduction of the national curriculum before the end of the funding quadrennium in non-government schools as a condition for non-government schools to receive funding from 1 January next year, even though we have little idea yet what the national curriculum will actually look like.

The Acting Prime Minister has repeatedly refused to confirm that schools currently delivering alternative, internationally recognised curricula will be able to continue to do so. This puts at risk curricula that are designed for high-achieving students and special students, and curricula based on educational philosophies that parents may choose as the most appropriate for their children. It also potentially puts at risk those faith based schools that teach faith based components in addition to their current state curricula. The Acting Prime Minister has refused to give comfort to these schools by accepting the opposition’s amendment to her Schools Assistance Bill to remove the mandatory application of the unwritten national curriculum. Alternatively, she could amend her bill to allow application of the national curriculum
or an ‘approved equivalent’ or similar legislative language. Instead, in a speech on 10 November, the Acting Prime Minister deferred decisions about whether alternative curriculum based schools will be able to continue under ACARA. This means that under the current government ACARA will have the final say over whether the following curricula are allowed to continue: International Baccalaureate, University of Cambridge international examination schools, Montessori schools, Steiner schools, Christian schools, Islamic and Jewish schools and so on.

There is a further issue of some significance with which the government is yet to grapple, and that is what happens to the substantial areas of curriculum that are not flagged for consideration by ACARA. Geography and languages have been mooted as future additions, but music, drama, physical education, technical education and a stream of other curriculum areas that are vitally important to the health of our education system will not be dealt with by ACARA at all. It would be of great concern if future funding in areas like teacher support and training neglected these important areas because they missed out on inclusion in the national curriculum.

It is also worth noting that for as long as these areas stay outside the national curriculum, the state governments will all have to continue their current frameworks of curriculum and assessment authorities in order to support these subject choices. A national curriculum designed to improve our system must not result in a weakening of the subjects not included in it, or it will have failed. And a national curriculum should not result in increased, unnecessary duplication of resources and endeavour, or else it will have failed. Again I advise that the opposition is sceptical and we will be keeping a very close eye on the government’s progress in this area.

For a national curriculum to succeed, ACARA and the government will need to be able to convince each state education department, each state government, and the non-government sector that the national curriculum will not interfere in those aspects of their present curriculum of which they are most proud and that in all other aspects the national curriculum will be a superior curriculum to their current curriculum. Members may draw their own conclusions as to how successful the government will be in this endeavour.

In relation to the detail of how ACARA has been set up, I will make some observations for the record while indicating that the opposition will not oppose this bill. I draw attention to the list of ACARA’s functions detailed in section 6 which says:
The functions of the Australian Curriculum, Assessment and Reporting Authority are to:
(a) Develop and administer a national school curriculum, including content of the curriculum and achievement standards, for school subjects specified in the Charter (maths, English, the sciences and history to begin with, to also include geography and languages in a second phase); and
(b) Develop and administer national assessments; and
(c) Collect, manage and analyse student assessment data and other data relating to schools and comparative school performance; and
(d) Facilitate information sharing arrangements between Australian government bodies in relation to the collection, management and analysis of school data; and
(e) Publish information relating to school education, including information relating to comparative school performance; and
(f) Provide school curriculum resource services, educational research services and other related services; and
(g) Provide information, resources, support and guidance to the teaching profession; and
(h) Perform such other functions that are con-
ferred on it by, or under, this Act or any other
Commonwealth Act; and

(g) Perform such other functions that are ancil-
lary or incidental to the functions mentioned
in the preceding paragraphs.

The ACARA board will include a representa-
tive from each state and territory as well as
the Commonwealth, and representatives
from the National Catholic Education Com-
mission and the Independent Schools Coun-
cil of Australia. In addition there will be a
chair and a deputy chair appointed by the
ministerial council. Members will be limited
to a three-year term and maximum aggreg-
gated service length will be six years.
ACARA will be subject to direction from the
ministerial council.

In appointing members of the board, sec-
tion 14 requires that the ministerial council
ensures that members of the board:

… collectively possess an appropriate balance of
professional expertise in:

(i) matters relating to school curriculum; and

(ii) school assessment and data management;

and

(iii) analysis and reporting in relation to school
performance;

(iv) financial and commercial matters in relation
to the management of educational organisa-
tions; and

(v) corporate governance.

Given that none of the five criteria for the
make-up of the board will require that any-
one who has ever been a teacher should be
on the board, it is particularly important that
practising teachers should be consulted ex-
tensively in the committees and working
groups under the ACARA board. I find this
omission unfortunate and it is reflective of
this government’s lack of appreciation for
the central and overwhelming importance of
the teaching profession. In my experience,
teachers who actually deal with students
have a much greater appreciation of what
works and what does not than do research
academics looking in from the outside.

According to section 40, subsection (1),
the data collection and analysis arm of
ACARA is able to collect detailed informa-
tion from schools so long as that information
is necessary for, and directly related to, any
of the following purposes:

(a) conducting research relating to the national
school curriculum;

(b) assisting government to formulate policies in
relation to education matters;

(c) formulating national reports consisting of
aggregated data on school performance.

This sounds reasonable at face value, but
should be considered in light of the govern-
ment’s move through the Schools Assistance
Bill to require additional and unneces-
ary financial information of non-government
schools’ funding sources, and so again we
will be vigilant in our close observation of
how this body operates in practice.

As indicated, the opposition will support
the bill, but in doing so we indicate most
clearly that the government is on notice that
they have a great responsibility to make this
curriculum work. Their record of uncoopera-
tive federalism, as seen through the disas-
trous computers in schools program, does not
fill our hearts with hope. Their record of
broken promises, as shown by computers in
schools, the trades training centres and the
very concept of an education revolution,
does not fill me with high expectations. It is
clear that the education revolution has failed.
It is time for the government, and the Acting
Prime Minister in particular, to spend less
time delivering overblown rhetoric about
revolution and instead spend more time de-
ivering on their election promises.

Ms McKew (Bennelong—Parliamentary
Secretary for Early Childhood Education and
Childcare) (5.15 pm)—It gives me pleasure
to speak in support of the Australian Curriculum, Assessment and Reporting Authority Bill 2008, which the Minister for Education introduced in the House of Representatives on 23 October. The Australian government believes that a national high-quality education system is the foundation upon which this country’s prosperity rests. We need to ensure that all Australians, regardless of their background or socioeconomic status, are equipped with the necessary skills, knowledge and capabilities to bring them personal satisfaction and allow them to succeed in a competitive global economy. This year, with an investment of $1.2 billion, we have commenced delivering world-class information and communications technology to schools throughout the country. The digital education revolution has well and truly begun. I am pleased to report that the government has made significant inroads towards building new trades training centres in secondary schools across the country through the $2½ billion Trades Training Centres in Schools Program. Then there is the $4.4 billion education tax refund that is helping parents meet the costs of providing their children with access to the resources they need to assist them with their learning.

In contrast to the previous government, this government believes that the early years are a crucial time in a child’s development, so this is where the education revolution begins—we hear almost nothing about this from the opposition—with fresh investment and a new approach. It is now universally recognised and accepted that the experiences and opportunities a child is given in the early years will have an impact on their learning, their physical and emotional wellbeing and their long-term ability to fully participate in society. As a result, the Australian government is providing $533.5 million over the next five years to ensure that all children have access to quality early learning programs for 15 hours per week, 40 weeks a year in the year before formal schooling commences. These programs will be delivered by four-year trained early childhood teachers. To assist with accessibility and affordability, we have committed $114.5 million towards establishing the first 38 of a total of 260 early learning and care centres in areas of unmet demand, preferably close to or collocated with schools and TAFEs and on other community sites.

Importantly, we know it is not just the number of centres that matters; it is the quality of the care and the learning provided by those centres that is paramount. So, to ensure that every child will have access to consistent, calm and stimulating early learning and care, the government has invested $22 million to develop a set of rigorous national quality standards that will apply across all early childhood settings and services, as well as an investment of $126 million to increase the numbers and enhance the qualifications of the early-years workforce. The government is working hard to create a high-quality early learning and care system for all young Australians. I am delighted to say that, when young children make the transition to school, the Australian Curriculum, Assessment and Reporting Authority Bill 2008 will contribute significantly to ensuring that their education is world class.

This bill gives effect to the Council of Australian Governments’ historic decision of 2 October 2008 to establish a new national education authority that will be responsible for the management of curriculum, assessment and reporting at the national level. In keeping with our approach to collaborative federalism, this bill ensures that the states and territories and the Commonwealth will work in partnership to improve standards in education for all Australian students. The bill recognises state and territory ministers’ responsibilities for the curriculum in their own
jurisdictions and mandates joint accountability for the authority between the Commonwealth and the states and territories.

The Australian Curriculum, Assessment and Reporting Authority will deliver two of the Rudd government’s signature reforms: the development of a national curriculum and the transparency and reporting agenda announced in September of this year. The new authority will also develop Australia’s first national curriculum. This is an initiative which will ensure that all Australian students from kindergarten to year 12 have access to the best quality education available, regardless of their socioeconomic background, the type of school they attend or the location of that school. The previous government talked about the merits of a national curriculum but, despite a decade or more in office, they failed to deliver anything tangible in this area. This government realised that it was time to act, and we have done so. The new national curriculum will deliver clear and explicit agreement on the curriculum essentials that are fundamental to delivering a well-balanced, meaningful and useful education—English, mathematics, history and the sciences.

The interim national curriculum board, led by Professor Barry McGaw as its chair and Mr Tony Mackay as deputy chair, have been working very hard to engage the education community in developing Australia’s first national curriculum in English, mathematics, the sciences and history. They have been doing an excellent job and have developed framing papers for English, maths, the sciences and history after extensive consultation with the education sector. I would like to commend the interim board members for their efforts and energy in taking their work to this point. The work of the national curriculum board will now form part of the Australian Curriculum, Assessment and Reporting Authority.

It is our intention that the national curriculum help equip our young people with the skills, knowledge and capabilities that will enable them to compete in the global economy, because more and more Australians from every age and from every profession are living and working overseas for long periods of their professional life. That being the new reality, our graduates must be in a position to meet the challenges of and succeed in the global employment market.

Of course the national curriculum will help teachers and parents as well. It will provide them with a clear understanding of what needs to be covered in each subject through each year level, and it will give teachers the flexibility to design their courses in a creative and inspiring way around the curriculum essentials. The national curriculum will also assist with student and teacher mobility. Every year some 340,000 Australians, including 80,000 school students, move interstate. From the time of its implementation, those students will have certainty and consistency about continuing their educational program with the minimum disruption. The national curriculum will be a powerful mechanism through which to sustain Australia’s economic growth. The development of that curriculum is a fundamental reform of the Australian government’s education revolution, which will lift standards and help Australian students and Australian schools compete internationally.

Improving the transparency and accountability of schools and, indeed, the education system at every level is a top priority for the government. We know that parents support this priority. A major survey of parents’ attitudes about the information that they want from schools, conducted by the Department of Education, Employment and Workplace Relations, with input from the Australian Council of State School Organisations, found that 96 per cent of parents agreed that impor-
tant information relating to school activities should be made available to parents. Furthermore, 83 per cent thought that such information should be made publicly available, with the highest proportion of positive respondents being from government schools.

The Australian Curriculum, Assessment and Reporting Authority will also play a key role in managing and analysing schools data at a national level as well as publishing information about the education system, including information on comparative school performance. The authority will play a key role in the new nationally agreed reporting framework to identify school needs and achievements. This framework will include the publication of information on individual schools and provide greater transparency of school capacity and student outcomes for parents, the community and governments.

To achieve reforms in schooling that have a real impact, governments and the community require better information than we now have about what is happening in our schools. The Australian government is committed to providing comprehensive information about what is happening in schools, including what kinds of students are in schools and the outcomes schools are achieving. It is incumbent on all Australian schools, both public and private, to demonstrate that the outcomes they and their students achieve justify the resources provided by the broader community.

There is currently no national accurate or comprehensive information allowing any worthwhile analysis of student and school performance to inform principals, parents and governments. This information is needed for a number of reasons. Firstly, for public accountability purposes schools should be accountable for the funding they receive. Such accountability provides parents and the community with a more accurate picture of a school’s performance. It can also encourage greater parental engagement and promote school improvement. Secondly, for more effective resource allocation school level information is essential if we are to identify where resources are most needed and would be best allocated to improve achievement. We want to ensure that resources are effectively delivered to those schools and communities in the greatest need. Thirdly, for the identification of school performance it is vital that students who need help to reach their full potential are supported to achieve better outcomes and are not left behind.

Greater transparency and accountability at a national level about school characteristics and performance are necessary if we are to improve our school system. Action can be taken for poor performing schools by providing them with long-term assistance to achieve the kinds of student outcomes delivered by similarly placed schools in the community. Best practice can also be promoted by identifying high-performing schools which can serve as models for continuous improvement in education. The authority will assist with this by providing information on student characteristics, including their socio-economic status; the numbers of Indigenous children, children with disabilities and children from non-English-speaking backgrounds; and national literacy and numeracy attainment.

As I said at the beginning of my address, the work of the new authority aligns perfectly with the Australian government’s plans for early childhood education and child care. The Australian government recognises the importance of the early years in laying the foundation for children’s subsequent achievement in schooling and for satisfaction and success later in life. That is why we are committed to working with the states and territories to develop a national quality framework for early childhood education and
This framework will include stronger national quality standards, a consistent and transparent quality rating system and an early years learning framework. The development of the national early years learning framework is an integral component of the Australian government’s early childhood quality reforms. It will describe the broad parameters and the principles and outcomes required to support and enhance young children’s learning from birth to five years of age.

In conclusion, education is the key to each and every individual’s success and our collective success as a nation. As part of this government’s education revolution, this new authority, the Australian Curriculum, Assessment and Reporting Authority, will develop unprecedented educational standards for our children and our schools. It is a significant and historic change and a necessary one if we are to be at the forefront of change in an ever-changing world. The government believes, without qualification or exception, that all young Australians are entitled to the very best start in life, and that means the right to a first-rate education. Despite the current economic maelstrom, I think all members would agree that we are still a very prosperous nation and nothing deserves to be the beneficiary of that good fortune more than our children and our education system.

Mr FARMER (Macarthur) (5.28 pm)—I rise to speak on the Australian Curriculum, Assessment and Reporting Authority Bill 2008 that is before the House. I am proud to represent the constituents of Macarthur on this very important matter, in particular as the foundation of our nation’s future relies on education and our education policy over the next decade and beyond. The Australian Curriculum, Assessment and Reporting Authority Bill 2008 represents a step forward for the Labor government. I am pleased that they have had the sense to adopt the national curriculum as proposed by the coalition and the former Minister for Education, Science and Training, the Hon. Julie Bishop. In fact, I remember the Hon. Brendan Nelson speaking on this when he was the appropriate minister.

As the former Parliamentary Secretary to the Minister for Education, Science and Training in the Howard government, I was proud to work with the former minister and to share in the many great achievements in education that we implemented. Contrary to many assertions that have been made by the members opposite, the Howard government made a colossal investment in schooling and education. The Howard government invested $1.2 billion in school infrastructure through the highly successful Investing in Our Schools Program. That program delivered desperately needed funding for projects in both primary and secondary schools at the state level which the states had neglected to provide. Furthermore, the coalition invested over $700 million of this fund into the government school sector in particular. Unfortunately, the Rudd government has chosen to abolish this program and others in favour of the stuttering education revolution.

This bill before the House is the latest Labor government attempt to tell the public that it is indeed delivering an education revolution. I only hope that the state governments are more willing to cooperate with the Deputy Prime Minister than New South Wales was on the last round of computer grants made in October this year. The Deputy Prime Minister stated in her second reading speech:

This government knows that a world-class education system is the foundation of a competitive economy, that it underpins a dynamic labour market and that it is central to building a stronger and fairer Australia.

I am pleased that the government knows this; however, I am doubtful that it actually believes it.
The coalition has advocated the establishment of a national curriculum to bring transparency, accountability and consistency to what has been a patchwork of state based systems. We believe a national curriculum and, eventually, nationally recognised qualifications will maximise the choices for students to pursue careers anywhere in this country and not just in their states. A national curriculum is the logical step forward in increasing our standards in education, in strengthening our economy and in developing an intelligent citizenry—all of which are vital to the continuing growth and prosperity of this great nation. I am pleased that the government has adopted the coalition’s policy. By creating a new national authority responsible for curriculum assessment and reporting, this parliament will hopefully usher in a new era of transparency and education.

Parents in my electorate of Macarthur and throughout the country have the right to know where they are sending their children and how that school is performing. For too long parents have been left in the dark, unable to access tangible evidence that proves schools are meeting their obligations to provide the best possible education for their children. I agree with the Deputy Prime Minister when she states that:

In the past, education policy in this country has been dogged by a lack of transparency. Information about what happens in schools and what difference it is making has been seriously lacking. Unfortunately, for much of the time that the coalition was in government the state governments were reluctant to hand over any control much less open their departments to more accountability and transparency.

Thus far, the school computer grants rolled out by the Deputy Prime Minister have encountered similar hurdles. It is in the best interests of the state governments to work with the federal government to adopt this national curriculum. I encourage the national and state governments to reach a national education agreement that endeavours to establish shared national targets, outcomes and policy directions through COAG before the end of this year. The Deputy Prime Minister has stated that agreements and priorities, including proposals for the national partnerships, to lift teacher quality, boost literacy and numeracy and raise achievement in disadvantaged school communities are vital.

There have been concerns expressed to me by teachers and parents in my electorate that the national curriculum will not raise achievement but may lurch towards meeting the needs of the lowest common denominator. Each state education system has its positive and negative aspects. It is important that each state education minister and their departments show courage in admitting where a policy of another state or of the federal government is possibly better. The temptation to declare one state education system better than another may play well for state government politicians in their local polls; however, it takes conviction and strength to admit that the curriculum standards of achievement in other states are in fact better. I implore the COAG ministers to put aside their political considerations at this next meeting and to work together to create a foundation for a challenging national curriculum that aims to raise the bar for student outcomes. It is what students, teachers and parents in this country deserve.

There is provision in this bill for an analysis of school performance, greater transparency and the reporting of school results and teacher performance, as has been advocated by members on both sides of this House. As the Deputy Prime Minister has stated in her second reading speech:

Accurate information on how students and schools are performing tells teachers, principals, parents and governments what needs to be done.
It is vital that accurate information is available to all stakeholders in a child’s education, particularly parents.

Every year, parents in my electorate and around the country make one of the most important decisions regarding their children’s future, and that is where they send their children to school. I have met with many constituents in my electorate and they are very anxious about where they send their children to school. They come to me for advice because they know that I travel to many schools not only in my electorate but around the country and they are trying to work out a basis for where to send their children and provide them with the best possible education.

In the past, I have encouraged parents to get as much information as they can on schools in their area. However, there has never been an independent, clear-cut analysis comparing schools or school results. The only indicators parents in my electorate have are the UAI results at the end of year 12. Firstly, this is not a reliable indicator of a school’s overall performance. Secondly, it only provides a weak indication of high school performance. This has left an enormous gap in the analysis of primary school performance. The coalition has strongly advocated the need for a national reporting system. The state governments and in particular the teachers unions have been reluctant to open up the nation’s education systems to analysis and scrutiny. The only way we can achieve better outcomes and learning strategies for our children is to allow independent analysis and reporting of school performance. The coalition has always supported transparency and accountability in education. The publishing of results and independent statistics will empower parents. This will hold schools accountable in meeting their outcomes.

I now refer to the details in the provisions of this bill, particularly to the formation of the Australian Curriculum, Assessment and Reporting Authority as an independent statutory authority under the Commonwealth Authorities and Companies Act 1997. The Deputy Prime Minister has stated that the bill will include provisions to ensure that state and territory education ministers’ responsibility for curriculum arrangements in their own jurisdictions is recognised and respected and that non-government school systems are participants in the new national arrangements. The authority will be responsible for the management of curriculum, assessment and reporting at the national level and will report to all Australian education ministers through the ministerial council. The bill provides for an authority that will be led by a 13-member expert board of directors responsible for overseeing the functions of the authority. Membership will include a chair, a deputy chair, one nominee from the Commonwealth, one nominee from each state and territory education minister, one nominee from the National Catholic Education Commission and one nominee from the Independent Schools Council of Australia.

I have two major concerns with the proposed make-up of this authority. Firstly, just over one-third of students in my electorate in Western Sydney attend Catholic or other non-government schools. It is fundamentally important that the participation of non-government schools is preserved. This legislation must ensure that any proposed changes to the national curriculum in the future will have input from the teachers and parents of schools that are responsible for the education of over one-third of the student population—that is, non-government schools. If anything, the new authority under-represents the non-government school sector. They have been allocated only two of the 13 appointments. I urge the government to reconsider the make-
up of the authority to proportionally represent the interests of non-government schools. With over one-third of students in my electorate attending these schools, with similar figures across the country, it is only fair that they have a proportional say in what their schools will be teaching.

Secondly, the overwhelming majority of the board will be appointed by state education ministers. Although I do see the logic in having each state education department represented, I am concerned that the appointments to the authority will become politicised. The curriculum—as in what students will actually be taught—moulds the way each new generation will think. Over the years we have seen accusations of political bias of teachers and curriculums that are set by the state governments. Education must be consistent. That is why the coalition proposed and supported the idea of a national curriculum. In modern 21st century Australia it is absurd to have seven different curriculums setting seven different approaches to education. Providing a consistent and stimulating curriculum for students is one aim of a national curriculum. The appointment of representatives to the authority by state education ministers, with the authority having the right to reject a proposed candidate, is bound to cause instability in the authority and as a consequence in the direction of the national curriculum.

The national political landscape at a state and federal level is dominated by Labor governments. They will hold the balance of power when choosing who is appointed to the authority that will recommend the standards of the curriculum. Although I will not presume that the ministers, nor their appointments to the authority, will overtly exercise political bias, I believe that that is a risk in the provisions of the bill. I ask the government to please consider this when nominations are put forward. If our education system is to produce inquisitive, open-minded and competent citizens who possess the capacity for free thought, they must not be overwhelmed by political persuasion. Instead, the authority must ensure that the curriculum gives students the tools to eventually make up their own mind, to be given both sides of a story or a history and to openly question what might have been rather than be told what should have happened. In her second reading speech, the Deputy Prime Minister discussed the benefits of having a national curriculum. She stated:

In developing a single national curriculum, the authority will ensure that every young Australian has access to the highest quality education—regardless of where they live or their socioeconomic background.

As I referred to earlier, the curriculum must raise the standard of achievement and not slump to accommodating the lowest common denominator. The national curriculum must be implemented with the intention of raising the standards of education for students. It is completely unacceptable that year 12 students leaving high school for university sometimes have to take bridging courses at university to learn basic spelling and grammar. Teachers must be given the tools to ensure their students do not slip through the cracks without learning the basics. Many teachers in my electorate suggest that a reduction in class sizes and a better student-teacher ratio is not enough to prevent this from happening.

A major area of concern I have in relation to this bill is the direction that the national history curriculum will take under this advisory board. The appointment of Professor Stuart Macintyre to draft the national history curriculum highlights the risks of a political appointee being entrusted with writing a holistic approach to history. For too long Australia’s students have been subjected to history based on case studies and a bland out-
line of Australia’s history. It is vital that the history curriculum provide students with a sound grasp of Australia’s history but also Australia’s heritage and the context of our history within the history of the rest of the world since 1788, not just from 1901. Australian students already lack a basic understanding, and therefore a valuable appreciation, of our British inheritance of Westminster democracy, the rule of law, and our place and links with Western civilisation.

Nor in the state curricula to date have we encouraged a deeper knowledge of the Australian political system beyond year 6. During my time in Canberra, one of the greatest pleasures for me as a member of parliament has been to welcome primary school groups to this place to learn more about the political system. However, it is my overwhelming belief that we should also encourage high school students to visit Parliament House in Canberra and to encourage them to fully understand the political system in this country so that they can play a better role in the growth of this country and further their endeavours to be leaders of this nation at a later date. I agree with the Deputy Prime Minister when she states, ‘We must ensure that all Australian children achieve their educational potential, and that more of them complete schooling through to year 12.’ This country was not built on past generations accepting second best.

I feel it is important to reflect at this time on the symbolism of our national coat of arms. The kangaroo and the emu present on the coat of arms symbolise our nation striding forwards and never being allowed to take a backwards step. It is my hope that this new national curriculum, as prescribed in this bill, will indeed take our nation further forward and provide a solid foundation for the happiness and success of our future generations.

Mr BUTLER (Port Adelaide) (5.47 pm)—It is with great pleasure that I rise to speak to the Australian Curriculum, Assessment and Reporting Authority Bill 2008. It is just the latest chapter in the Rudd government’s—particularly the Deputy Prime Minister’s—education revolution. I thought at the outset that I would recap a couple of the key elements of that revolution, because they are the background to this bill, which is perhaps the most exciting step that we have had so far in this revolution.

The first element is that our approach is a fundamentally different approach to early childhood. This government recognises the overwhelming research, not just in Australia but around the world now, that shows that the first five years are the most important in a person’s development. The research of James Heckman in the United States, and many other researchers all around the world, shows that a human being in the first five years of their existence has the greatest capacity in all of their life to develop cognitive abilities. The research also shows that a dollar invested by the government in the first five years of a person’s life shows a greater return than a dollar invested in any other years of a child’s or an adult’s education. As a government we also need to deal with a significant legacy of underinvestment. The Australian investment in preschool education has been at around 0.1 per cent of GDP compared to the average OECD investment of 0.5 per cent. The key plank of this government’s different approach to the first five years is the commitment to a universal 15 hours per week of preschool for four-year-olds.

The second element of the education revolution thus far has been an overhaul of school infrastructure, in particular the digital education revolution, which seems at the moment to be attracting a great deal of attention, finally, from the opposition. It is a pro-
gram of $1.2 billion over five years which has already seen money for about 116,000 computers roll out to the different state, independent and Catholic systems. I have been to a number of high schools in my electorate and spoken to principals, teachers and students about this program. It is an exceptionally popular and greatly overdue program, as is the trade training centres program that has been initiated by the Deputy Prime Minister.

The Trade Training Centres in Schools Program is a crucial element of the education of young Australians. In my own electorate I have visited high-school tech study areas that, frankly, have not changed since I was at school. They have equipment that was put in there in the 1960s. I am not sure how working on lathes that were installed in 1964 could equip a 15- or 16-year-old to work at the Australian Submarine Corp. in Port Adelaide. A program of $2.5 billion over 10 years will massively uplift the trade-ready skills of young South Australians and young Port Adelaide people. It is a great element of the education revolution, as is the support given to parents for the costs that go with all of this—I particularly refer to the education tax refund in the amount of about $1 billion per year.

Perhaps the most important element of the education revolution is our program to lift the performance of our schools. While we have a great schooling system it could and it should be doing better. I look at the Deputy Prime Minister’s budget papers for education released earlier this year and see that the OECD PISA results for 2006 show that although Australia does relatively well internationally we could do much better. Our performance has slipped between 2003 and 2006. The papers indicate:

In the period between 2003 and 2006 Australia declined in both its absolute and relative performance in reading literacy, and its relative performance in mathematical literacy. And they indicate something that is particularly relevant to my electorate:

Australia has too long a ‘tail’ of underperformance linked to disadvantage. The PISA results indicate that over the last six years the percentage of students who are less than proficient at reading or maths has not reduced.

Our objectives in this area are crystal clear: firstly, to get better outcomes across the student population, particularly in key skills such as literacy and numeracy, and also to improve school retention. Retention rates in Australia have dropped dramatically since the early 1990s and now sit at a level which is low by OECD standards. This has been quite dramatic. I know that in my own state of South Australia in the early 1990s school retention to year 12 or its equivalent sat at about 92 per cent of the school population, and it dropped to below 60 per cent by the end of that decade and has crept up only marginally since then.

So our government, along with state and territory governments, has a goal through COAG to lift school retention to 90 per cent by 2020—and it is not just for the sake of keeping kids in school, because we know that international research shows unequivocally that every year of schooling has a financial return to the student of somewhere between 10 per cent and 17 to 20 per cent. According to James Heckman, one of the pre-eminent education scholars in the United States, ‘There is a firmly established consensus that the mean rate of return to a year of schooling as of the 1990s exceeds 10 per cent and may be as high as 17 to 20 per cent.’ That is the extra income that a young Australian will earn for every year that they remain at school.

The government has a multipronged strategy for lifting school and student performance. As I indicated, literacy and numeracy standards are a particular concern of the government—and, I am sure, of Australians in
general at the moment—and are a particular focus of our government. These are skills essential to success in every subject and potentially every career imaginable. This government has an action plan on literacy and numeracy agreed through the COAG and amounting to about $577 million over four years. That particularly involves extra support for disadvantaged areas that struggle in literacy and numeracy and it will be scientifically targeted on the basis of the literacy and numeracy tests, or the LAN tests, that were conducted around the country earlier this year.

The second plank is the establishment of a national curriculum—something COAG agreed would be in place within three years. This was an early decision of the new government and put into effect through the establishment of an interim National Curriculum Board chaired by Professor Barry McGaw, a scholar of international acclaim, particularly through his work with the OECD in this area. Already, within 12 months, framing papers in the four core subjects of maths, science, English and history have been released by that board and are out for consultation now.

The third plank in the strategy to lift school and student performance which concerns this bill is the collection of data and the reporting of data on school performance—something that again was openly and transparently an election commitment of the Labor Party. This bill particularly concerns the issues of a national curriculum and also the reporting of school performance. Without over-egging the pudding, it is truly a revolutionary approach to school education which until now in these areas has been very much state based and, in the area of performance, has been very much opaque.

In the area of a national curriculum, differences between states and territories are hard to fathom in a rich and modern country. There are about 80,000 school-age students, I am advised, that move interstate each year, between schools or between jurisdictions that have different curricula, even in core subjects. Employers and universities in a modern economy should be able to assume that students applying to work or study at their institutions have the same core competencies that are being taught from Cairns to Bunbury or from Broome to Hobart. This seems to me something of a no-brainer.

The second element of the bill is to introduce a level of transparency and accountability that the school system in Australia has not seen before. In the area of accountability and addressing this issue—has become a bit controversial—it is hard to imagine more important public institutions than our schools, whether they are government schools or publicly assisted, funded and supported non-government schools. But there is precious little reporting on their performance to the community that funds them or even to the parents that use them. To achieve these two ends, the bill establishes the Australian Curriculum, Assessment and Reporting Authority. It is another example of cooperative federalism. There was no ambush here. There was no bludgeoning of states’ rights. This authority arose as a result of mature negotiations through the COAG process—negotiations that started with the review through MCEETYA by the Boston Consulting Group. The recommendations of that group were adopted by the MCEETYA in September and approved by COAG in October—a very good case study in cooperative federalism that those opposite might want to consider in the event that they return to the treasury bench.

The authority is an independent statutory authority established under the Commonwealth jurisdiction, under the CAC Act, but accountable to all governments through
MCEETYA will be setting the work plan of this authority through a charter developed every year. The authority will be required to report to MCEETYA, at which all governments are represented, on the progress of that plan and any other activities it has been directed by MCEETYA to perform. Its functions are clearly set out in the bill and the supporting speech made by the Deputy Prime Minister. Firstly, it is to subsume and continue the work of the interim National Curriculum Board to develop a comprehensive national curriculum. As I said earlier, this is a long overdue goal in Australia.

The interim National Curriculum Board, under the leadership of Professor Barry McGaw, has already achieved a great deal indeed—as I said, framing papers were released recently in those four key subjects of maths, science, English and history. They are out for consultation now but generally, as far as I can tell, have been very well received. This highlights the importance of independence in this area. This is not a job for politicians to set national curricula that might reflect their particular peccadilloes; this is something for independent experts to determine through an interim NCD of the type that we have set up. It is important to balance the goals of national consistency with flexibility that still allows teachers and schools to build a class and a subject around the core elements within the national curriculum—indeed, that allows specialised schools like the Montessori schools or systems like the international baccalaureate to build their own particular approaches around core competencies—on which students, parents, employers and higher education institutions can rely.

The second function is to not only develop and administer the national assessment of school and student performance but also, more importantly perhaps, handle the reporting to parents and the broader community of that school performance—perhaps the most controversial element of this bill. I go back to my earlier point about the importance of transparency and accountability here. Governments at different levels spend an extraordinary amount of money every year on such an important purpose, and there is a very heavy onus upon those who say there should not be transparent accountability for the expenditure of that money to argue that position and to argue why that should continue to be the case. A very important reason for this transparency is to encourage parental participation and community engagement in our school systems. This has been identified by COAG as a particular priority over the coming years, and it is reasonable as a parent to expect that, if you are being asked to be more engaged in your school system, you have good information about how that school is going.

The Deputy Prime Minister released a survey today that showed that 97 per cent of parents agree that that sort of information should be available to them as parents, and it currently is not. More than 83 per cent of respondents—and apparently it is a higher figure in government schools—across the community agreed that that information should be available not only to parents but also to the broader community. We know that if we are able to lift parent and community engagement in the school system then we will get better results. Again there is a good deal of research to show that parent and community engagement lifts achievement and lifts retention. I again quote from James Heckman’s piece on human capital. It says that a major determinant of successful schools is successful families. It says: Schools work with what parents bring them. They operate more effectively if parents reinforce them by encouraging and motivating their children, and they are only going to be able to do that with particular effectiveness if they are engaged
fully in what the school is doing—what they are doing well and what they are not doing so well.

Done properly, these functions and the bill generally should lift school and student performance for three reasons. Firstly, if you have greater transparency and accountability in your school then there is just a natural human incentive to lift your performance under a system of reporting. It is an innate trait that all of us have from the time of birth. Secondly, it will allow the government and the community to target extra funds and effort where this reporting shows there is an identified need. The flipside of that is that, where the reporting shows a very successful approach or successful model, it will allow the government and the broader community to crosspollinate or cross-fertilise that successful approach into schools that are not doing so well. This government is putting its money where its mouth is in this area—the Prime Minister’s Press Club address in August showed that—and has supported this approach with a sum of around $500,000 for an average-size school. These funds will be available to target areas of need that are identified through this reporting.

The third reason this will work is that it will be supported by a very strong focus on improving teacher quality. All of the research shows that the most important and most effective way in which you can lift school performance is through lifting teacher quality—reducing class sizes helps and a range of other things such as parent engagement helps, but nothing is as effective as lifting teacher quality. This government very early on in its term developed through COAG a draft national policy partnership on teaching, which we have heard from the Deputy Prime Minister will be presented for final determination at the COAG meeting this weekend.

We also heard a very welcome announcement earlier today by the Deputy Prime Minister that $500 million will be put in place to support this program. This will also involve a program to attract the best principals and the best teachers to the schools that need them the most. It is all well and good for the best teachers and the best principals to work at schools that are already doing well; our challenge as a community is to bring those teachers and principals to schools that need them the most to lift their performance.

It is true that this system of reporting is not without its dangers. Any system of reporting the standards of something as important as a school is never without its dangers. We know that each school operates with a different suite of advantages and disadvantages, particularly in terms of the background of their student populations. This reporting system cannot be simply a league table that ranks schools as if they were all bringing the same contexts, backgrounds and student populations to the table—they are simply not doing that. If we were to do that then we would run the very serious risk of undue stigma attaching to schools that, for a whole range of understandable reasons, do not perform as well as other schools that have a range of advantages. The Prime Minister and the Deputy Prime Minister have made it crystal clear that this reporting system will allow the community to compare like with like: it will allow the community to compare schools on the basis of their socioeconomic status, their Indigenous student populations, the percentage of their student populations that are newly arrived to Australia through migrant or refugee programs, their teacher population and a range of other things.

In summary, this bill is just the right thing to do. It is a significantly overdue package of reforms that, I think, will revolutionise our school systems. In my electorate I have a range of schools that I visit often that have very significant challenges arising at all levels, whether we are talking about the student population, the teacher population, their ca-
pacity to access funds other than from the
government or a number of other issues. This
package will allow the community and par-
ents in those areas to become more engaged.
It will attract the best teachers. I commend
the bill to the House. *(Time expired)*

**Mr BILLSON** (Dunkley) *(6.08 pm)*—It
is a pleasure to make a contribution to this
debate, and I will come back to some of the
themes that have been raised which try to
present this as a package of long-reaching,
visionary reforms as part of the education
revolution. All soaring rhetoric, but when
you get down to it this bill sets up a bureauc-
**racy**—a needed bureaucracy, but let us not
overstate what is going on with this bill be-
fore the House. The Australian Curriculum,
Assessment and Reporting Authority Bill
2008 will, quite simply, establish the Austra-
lian Curriculum, Assessment and Reporting
Authority. That is its purpose and that is
what it aims to achieve. Many of the other
things that speakers, particularly on the gov-
ernment side, have sought to impute to this
bill are just complete fiction. That is not to
say there are not other things going on. We
have had a hearty debate about some of those
issues, including the way in which funding
for non-government schools is being al-
tered—or at least the framework is being put
in place for an attack on independent school
funding. Labor has honoured its election
commitment not to go for the jugular of in-
dependent school funding immediately, but it
is certainly assembling the arsenal of weap-
os and equipment to do so, with some of the
extra reporting and information requirements
in the Schools Assistance Bill.

That bill, with its framework for further
funding, segues into this bill, because one of
the conditions that may confront non-
government schools is their compliance with
the Australian curriculum. One of the things
canvassed widely in the debate about the
Schools Assistance Bill is that we do not ac-
tually know what this national curriculum
looks like. At the conclusion of the debate on
this bill, we still will not know what it looks
like. What we do know is there will be a new
authority set up to address these issues. So
much of what the opposition has sought to
do here is to highlight the opportunity that
this bill represents but to take on trust what
will happen with these tools, with these in-
struments, with these institutions once they
are established. I think it is important for
people contributing to the debate to recog-
nise what is in the bill, not what they would
like to have seen in this or some other bill.

So what this bill does, quite frankly, quite
simply and singularly, is establish the Austra-
lian Curriculum, Assessment and Reporting
Authority. It sets up that authority as an in-
dependent statutory authority, something that
is welcome. The authority’s role is to manage
the creation and the implementation of the
national syllabus, the national assessment
and reporting procedures of school educa-
tional outcomes and to do things with that
information. That is it; that is what this bill is
about. As I said, that is something that is
needed and is welcome, although it is impor-
tant to recognise that the ‘operationalising’,
the implementing of these requirements that
will be put before this soon-to-be established
authority, is something that we have to wait
to see. We will review and examine this with
great interest because the promise that is be-
ing held out about this authority—it sounds a
little bit like the UN—when you describe it
in its generality, is magnificent. We will have
to wait to see what comes out in actuality,
because this is an important area but, as
some speakers have touched upon, it is an
area that is fraught with its own difficulties
and obstacles.

Some of those difficulties and obstacles
were well experienced by the former, coali-
tion government. Despite a very positive
record in supporting education innovation
and reform, one of the things we could not quite get to was convincing state and territory governments that what we are debating here—something that has been around as a public policy discussion all of my adult life and then some—was something that we could all agree on. They like this stuff; this is constitutionally their baby. And you can imagine there was some reluctance to give way to what seemed to be a collegiate, Commonwealth-wide approach when most of the state and territory jurisdictions had the pretty firm idea that whatever they were doing was right and that others should emulate them. And you can imagine that in a room where everybody is offering their model as the right model you will get a difference of opinion.

Despite that difficulty, the coalition did manage to increase funding for state government schools in every budget, delivering funding increases of 70 per cent in real terms between 1996 and 2007. It put the interests of the students and the parents at the heart of the debate in the discussion about the direction of our education system, recognising that those key stakeholders have as much to say and as much to contribute as education bureaucracies and teacher unions, and will carry the consequences of decisions much more than they will. That is not to say that education bureaucracies and teacher unions do not have something to offer but that the consequence of all of that effort and enterprise rests very much with the students and with their families. The coalition enhanced the capacity of parents to make a choice and to participate directly and to be fully engaged in the educational pathways of their children through government or non-government schools.

It struck me as somewhat ironic that the member for Port Adelaide was talking about the virtue of independence. That independence, that virtue, seems to extend to the role of this bureaucracy but not to the role of parents and school communities. I am sure that in many electorates there are a number of non-government, low-fee, independent schools that were established with the encouragement and support of the coalition government, in complete contrast to the former, Keating government’s new schools policy that was set up not to have any new schools. So this idea of independence seems to be fashionable. We hear the Labor members of parliament talk about it when it suits them and then abandon the idea when it does not. Nothing is more evident of that than perhaps the work of this authority. We listened with interest, in a previous debate, to what funding for non-government schools involved, and you certainly could not say that was about school independence. It was about increasing school dependence on central frameworks and mandated requirements and, I fear, risking the stifling of educational innovation to find the new pathways, the effective models, the pedagogy and the student and family and school community engagement that I think we need to pursue.

But these bills actually create a greater dependence. They seek to put in place the framework that must be complied with by those seeking funding. We have provided the opportunity on a number of occasions to the Rudd government to reassure those school communities that may be pursuing other academic pathways—well-recognised, well-established, different teaching models, and you heard some of those mentioned earlier—that those kinds of teaching models will be deemed to comply or at least work within a framework that amounts to adherence to this curriculum framework that will become mandatory. But they have declined to take that up. That is a cause of great concern and has unsettled many, certainly in my school community, who actually thought educational innovation was something that should
be valued—and I would certainly support that view.

The bill does talk about a number of functions. One which is not there but again was implied by a Labor speaker is that somehow better practice in the education of young people will be distilled out of the results and then shared more generally. Boy, I hope that does happen—that would be my wish—but that is not what the functions of the bill talk about. It says that the authority is a collection agency for information and it puts in place frameworks for national assessment, but in this bill you do not see working models that recognise the context in which school communities operate, the competencies and levels of attainment of their students and then the teaching and learning interventions and practices that bring about the best achievement for that diverse group of students. I would have liked to have seen that specifically mentioned as a function, where the authority would work as a clearing house of better ideas and innovation to encourage, recognise and reward those things rather than hope they will somehow pop out the side from all the data collection that seems to be at the heart of this authority’s functions.

There is scope for a lot of good to come out of that work, but this bill sets up the machinery to put in place a national curriculum. It puts in place the machinery to set up an assessment and reporting framework. I hope it extends its work into a place of learning and sharing of insights and identifying what works best in a very difficult environment of diverse school communities, diverse levels of achievement and diverse appreciations of what intelligence and attainment means for different students with different ambitions for their lives. I hope it does that. But it would be wrong, as the member for Port Adelaide sought to do, to project that into this bill when it makes no such claim that that is the purpose of the authority. The member for Port Adelaide also talked about parent and community engagement, and never do you see that displayed with more vigour and vitality than when you see some of these new, low-fee independent schools set up, where parents make a very enormous commitment to the school community to help set up an education system and a place of learning and teaching that supports their hopes, ambitions and values for their families. It is a sight to behold and there are a number of outstanding examples in my own electorate.

The work of establishing a national curriculum is not new, and certainly I am no stranger to it, having argued the case for some years, more recently prior to the election of the Rudd government when I was the Minister Assisting the Minister for Defence. I was thinking about military families, the defence community and how forced mobility via deployments in the ADF presented a very real example of the challenges families and students face in the absence of a national curriculum. Those forced mobility challenges were then added to by the elective mobility of people pursuing employment opportunities in different parts of the continent. They were finding that their children were disadvantaged because they needed to bolt onto a different kind of educational framework in a different jurisdiction. That certainly made the task of successful relocation and engagement with those new communities even more difficult. Thankfully, in the ADF we had a lot of student support services to assist that transition being made by people to the great state of Western Australia. My friend and colleague the member for Kalgoorlie talks regularly about the engagement and work of those employment opportunities. If you actually take up those tantalising opportunities and you are not in the ADF, you would not have that support service that is available for our serving men and women to make sure that their
children successfully transition into that new environment. It is a classic example of how workforce mobility is making this an even greater priority.

One issue that has arisen, though, is that of consultation. As I contacted school community leaders, both at the board level and at the school committee level, or senior teachers and principals, they were worried about the whole national curriculum debate happening around them. They read much about it in the media. They often heard members of parliament and ministers talking about it, but they felt that it was all happening to them. One said, ‘When are we,’ meaning the teaching professionals, ‘going to get a chance to have a say about all of this?’ I thought that was a very interesting insight when engagement, consultation and stakeholder input were supposed to be the hallmark of this process. I hope those early moments of unsettling reflection, where people felt quite removed from the development of the curriculum, are something that is remedied over time as this authority is established and its personnel can see that done in a more systematic and engaging way.

I also heard anxiety about this adherence issue and the conditionality that may be attached to government funding for non-government schools. As I mentioned earlier, this is not a shot in the arm for independence; this is a creation of greater dependence at a time when we have heard speakers from both sides of the parliament suggest that the innovation that comes through independence and the constant search for new insights and new practices may be stymied by a strict application of this national curriculum—and with it the conditionality that if you want government funding you need to adhere very closely to whatever this framework might end up like.

I think to say that this bill is an educational revolution is complete hyperbole. You could not even say it is an education devolution. As I have mentioned, the dependence is greater, not lesser.

Mr Shorten—Nice alliteration.

Mr BILLSON—Thank you, colleague. What happens, though, on the ground is something that is even more interesting for my community. We regret that the Australian technical college that was to be established in the greater Frankston-Mornington Peninsula region is not to go ahead—that the incoming government has walked away from something that was thought to be fabulously important to the vast variety of students in the community that I represent, many of whom saw a skills pathway as most befitting their competencies and ambitions for the future. That is a lost opportunity.

I was quite interested to hear the Acting Prime Minister’s response to my question in question time today about the time frame for the national broadband network and how the promise of the Rudd government was that work would commence before the end of this calendar year. No-one is really convinced of that. I do not think that even the Rudd government itself is. You see its fellow travellers—that is, the state Labor governments—obviously completely impatient with what was an election promise: fibre connections to the schools. One hundred million dollars was to be made available to have broadband connections in Australian schools deliver speeds of up to 100 megabits per second. That was a lofty ambition, but progress certainly has not peaked early. There is very little sign of any progress on that—so much so that, earlier this month, the Victorian state government unveiled its own $89 million program to upgrade broadband to 1,600 government schools. Its partnership with Telstra was going to deliver a capacity of 10 megabits per
second by June next year. So we are way off 100 megabits. Even state Labor governments are now realising that the Rudd government had great sound bites for the election but no sound public policy to actually implement the changes.

When you look back you will see that some of the state Labor governments, leading up to the last federal election, bemoaned the former, coalition government on broadband. They were wondering about the OPEL initiative—$958 million—that would have delivered metro comparable broadband to rural, regional and remote Australia. The Rudd government canned that project. To give an example of the impact of that, while regional and rural Australia waits for the Rudd government to sort out its shambolic NBN process, the students in those school communities are missing out. OPEL would have delivered metropolitan comparable broadband. If you started secondary school this year, you will probably be reflecting on schoolies week, after you have concluded your secondary education, before anything from the NBN delivers improved broadband to your school community—another example of an opportunity missed.

In terms of opportunities, we reflect on testing and how important that can be to identify educational disadvantage and the need for targeted remedial interventions. No-one bemoans that. But as I listened to Ray Hill, the Peninsula School’s principal speaker at the middle and senior school awards night the other evening, I was touched by the eloquence with which he pointed out that testing of those, I suppose, building-block education skills should not be the end of the game. They identify the need for numeracy and literacy improvements with the NAP, but they are building-block competencies so that people are in a position to learn. People can undertake their studies, and teachers and school communities can target the results if that is all that you are examining, but he cautioned us by saying that that cannot be all that we value in the education experience. He very eloquently pointed out that, of the intelligences, competencies and know-how that represent intellectual potential or potential activity in attainment and achievement of students, the areas that are being tested are just one part. A far more rounded view would pick up the importance of strong teachers in supportive school communities—not just identify areas of disadvantage but how to build on opportunities to advantage our students.

I look back at some of my work and advocacy from over a decade ago—and I will stick with the subject—about just how important it is to embrace work like Mayer key competencies. In 1992, Rick Mayer and his advisory committee advised all educational jurisdictions that it was time to incorporate key competencies into the school curriculum. These key competencies are the building blocks of opportunity. They are what provide for mobility in the workplace and they are the core ingredients of what I believe is essential lifelong learning. These are the things that help our kids deal with innovations in technology, the pace at which the economy is changing and the need to move between professions. Nowhere in this education revolution has the Rudd government mentioned any of these things.

The former, coalition government moved forward on this work under the banner of employability skills, but even in this area we ran into obstacles because all of the state jurisdictions thought their concept of employability skills was better than someone else’s. When it comes to communication skills, solving problems with technology, working in teams and the use of your skill set to solve problems that will vary and change over time, these workplace know-how and employability skills must be part of the for-
ward agenda. This is about making sure that all of our students are advantaged in this dynamic world and that we not only put our energies into addressing disadvantage, as important as that is, but also build the capacity for our students to engage in this dynamic world and be part of this delicious world of opportunities. We need to tool them up as they sift through those opportunities, make choices about their lives and recognise there will be a number of different challenges they will confront. I call on the Rudd government to embrace Mayer’s work and inculcate that into the national curriculum. (Time expired)

Mr NEUMANN (Blair) (6.28 pm)—I rise to speak in support of the Australian Curriculum, Assessment and Reporting Authority Bill 2008. As the Deputy Prime Minister said in her second reading speech, this bill heralds a new era of transparency and quality for Australian schools. We need a world-class education system because that is the basis of a competitive economy. In the May budget this year, the Rudd Labor government committed $19.3 billion towards its education revolution. It is about creating the kind of world-class education system that will advance our economy in a very competitive global environment. We are about delivering computers to schools and delivering trade training centres and providing parents with the income they need by way of education tax rebates to ensure that, whatever they spend when it comes to textbooks, the internet, computers and computer software, they get a refund to ensure that their children get access to the tools of the 21st century.

The bill that is before us this evening is about creating a new national authority responsible for curriculum, assessment and reporting, and introduces the new era of transparency. We need to do this because, sadly and regrettably, under the Howard coalition government for nearly 12 years we languished. I heard speaker after speaker—the member for Sturt, the member for Macarthur, the member for Dunkley—waxing lyrically about the contribution of the Howard coalition government. But they were not content with injecting ideology into the workplaces of Australia; they were about injecting ideology into the schools and universities of our country. They are now bemoaning the fact that we want transparency, accountability, honesty and integrity in our education system and bemoaning the fact that they do not have the opportunity to impose their conservative ideology in our schools. For 12 years we had confrontation. People who had devoted their lives to the education of children, public school teachers and their unions, and parents who had chosen to send their children to public schools, were criticised. The public education system in my state was criticised by the Howard coalition government. It was about values they wanted to impose in our system. But I say to those sitting opposite: it is about helping our children, educating them and giving them the best chance in their lives. Giving a child from a working-class background an opportunity to be educated is the greatest way to give that child the best chance for a career and for advancement. It is about social justice.

The legislation before us is about ensuring that our students in schools like Bremer State High School, Ipswich State High School, Rosewood State High School, Redbank Plains State High School, Boonah State High School and Lockyer District State High School have the same kind of chance as children who go to Brisbane Grammar School, Churchie and Nudgee. We need to ensure that our schools that are suffering disadvantage receive as much support as possible. I have some tremendous private schools in my electorate: Ipswich Grammar School, Ipswich Girls Grammar School, St Edmund’s boys college, St Mary’s girls college, Faith
Lutheran College. They are tremendous high schools, and there are parents who struggle to send their children there because they choose to do so, believing that is the best way to advance their children’s education. Sometimes they do it for religious reasons, sometimes they do it for other reasons, but they want the best for their kids. It does not matter whether children go to St Eddie’s or to Bremer, they should have the same advantage in life and they should be able to be taught the same kind of curriculum. This bill is about a new era for children who attend those schools in my electorate.

I am sick and tired of the blame game that we hear from those who were in the Howard government. If they want to look at the facts they should have a look at the legacy they left us to deal with. They left us with 6.5 million Australians with no post-school qualifications. I recommend they have a look at the OECD Program for International Student Assessment and the terrible tale of underperformance which is linked to disadvantage. There was a real decline in literacy levels in this country and our school retention rates to year 12—or senior, as we say in Queensland—flatlined under the Howard coalition government, according to the 2007 ABS report *Schools, Australia*. The statistics are damning. Under the Howard coalition government our children were left at tremendous disadvantage. The children in those government schools in my electorate have been disadvantaged by the legacy of the Howard coalition government.

The bill before us this evening delivers on our election commitment to establish a national curriculum for all Australian schools. One year on from our election to government, we have been getting on with the job of delivering what we call the education revolution to Australia. We in the Labor Party aspire to build a world-class education system because many of the people who sit on this side of the House have enjoyed the advantage of education and what it has provided for us. It has given many of us the opportunity in life to be here in this House with the honour of representing our electorates. A world-class education system will enhance our economy and make sure we have a smart and competitive country. We are not about to let our education system wither and decline, as happened after more than a decade of neglect under the Howard coalition government. We are about cooperative federalism, about collaboration in dealing with state governments, whether they are Labor or coalition, to ensure that our ambitious agenda for education is fulfilled. We are not about to start criticising coalition governments, whether they are in Western Australia or elsewhere in the future. We want to work with them to ensure that our national curriculum is established and that our children have the advantages they need.

This bill seeks to establish the Australian Curriculum, Assessment and Reporting Authority under the Commonwealth Authorities and Companies Act of 1997. It will take over the work of the Interim National Curriculum Board, which was established in April 2008. The new board will be a statutory authority reporting to the parliament and to the ministerial council of education ministers—and that is just another example of cooperative federalism under the Rudd Labor government. The board will be responsible for the management of curriculum, assessment and reporting at the national level. The new authority will enable a combined focus, including more effective transparency and accountability mechanisms, that will meet the needs of students, parents, teachers and the broader community.

I am the parent of two teenage daughters. I am pleased to say that my youngest daughter is finishing senior school this year, and my wife and I rejoice at that fact. Both my
daughters went to state schools. In their primary school years they both attended Raceview State School and Bremer State High School. Both did well at those schools because of their own commitment and also the wonderful contribution of the staff at those schools. They are not teachers who just do nine-to-five or nine-to-three type jobs. The teachers at those state schools make a big difference in the lives of those children. I was pleased to be at Bremer State High School last Friday to speak at the graduation of the year 12s and to see the affection of those children for their teachers, the many hugs, kisses and handshakes and the genuine concern of the teachers for their students.

I want to commend one particular teacher, Mrs Tierney—I do not even know her first name because I know her as Mrs Tierney—who is my youngest daughter’s legal studies teacher. She decided this year—this is the level of commitment that she made—to spend time away from her partner and stay with her folks in Ipswich, even though she lived down at the Gold Coast, because she was so committed to the classes that she taught at Bremer State High School. That is the level of commitment that we see from some of our teachers in both the public sector and the private sector. I want to commend those teachers in those public schools because they make a huge contribution to the lives of those children. I would defy anyone in this House not to be able to recall teachers that made a big difference in their lives. I can recall Mrs Lorraine Adams, my year 12 modern history teacher who encouraged me to go on and study arts/law at the University of Queensland. I recall other teachers who made big impacts on my life. I am sure there are teachers who made big impacts on the lives of all the members of this House. To think that the Howard coalition government would criticise the teachers and the teachers unions is a national disgrace.

The historic decision behind this legislation to establish a new national education authority was reached on 2 October this year at COAG, and it was achieved after consultation. That is what it is about; it is about talking with stakeholders. It is not about criticism and confrontation.

A national curriculum will benefit students across the country. It will benefit teachers, of course, who have to teach that curriculum, but it will benefit the students as well because we know that over 80,000 students move interstate each year. They transfer schools and they will not be disadvantaged. In my electorate we have the biggest military base in the country, the RAAF base at Amberley. We have got thousands of people who live near the base in suburbs like Yamanto, Flinders View and Raceview and even further afield into the federal electorate of Oxley down at Forest Lake and Springfield.

I have spoken to a lot of members of the military who work on the base and I have spoken to their partners. Getting access to dentists and doctors is a challenge. Finding sporting teams and cultural groups and activities for their children is important. But when they move interstate they often find they are not sure which particular grade to go into. They are not sure whether or not what they were being taught in Sydney, Melbourne or Perth is the same as what they are being taught when they come to Ipswich. So a national curriculum will make a huge difference in the lives of the children who live in my electorate of Blair, particularly in and around Ipswich. That is welcome news for the thousands of defence families who live in the electorate of Blair, particularly in and around Ipswich. It will ensure that children who live in and around Ipswich will not be detrimentally affected. The parents and the military want the best for their kids but those military families suffer particular disadvantage be-
cause every few years they often get moved to Townsville, Darwin, Newcastle or wherever, or their mother or father is often required to serve overseas, so they are separated and they suffer tremendous disadvantage. To ensure their kids have a national curriculum is just one way to equalise the opportunity for those kids.

This particular bill delivers on our promise about transparency in schools. I do not think there would be a parent who did not have some difficulty reading the report you get back in relation to how your child did at school. Sometimes the reports are not as detailed as possible or indeed sometimes they are not quite as easy to understand as possible. I think I am reasonably intelligent; I have got a few university degrees and I think I can read pretty well. But there have been times when I have read school reports and have rung up the teacher or the principal just to find out how my children went. It is important that school report cards and what we tell our parents is open, transparent and easily understandable so parents can understand how their children are actually going at that school.

We want to ensure that our children get the best education possible and so we want to know whether they are attaining academic success or they are struggling. It is very important that we have transparency when it comes to reporting by schools—but it should not be seen as an opportunity to attack teachers who work hard in our schools or the teachers unions who represent those teachers. This reporting regime will be overseen by the new authority charged with implementing the national curriculum, national literacy and numeracy tests, assessment and reporting.

I have got to confess that maths was not my strongest subject at school. I liked English, I loved history and I was not too bad at science, although chemistry and physics were bit of a struggle. But I am really strongly of the view that English, maths, science and history are critical to children’s education. It is important that they get as broad an education as possible in the younger years and I have to say this: the fact that the Howard government in its preschool education funding was only committing about one-fifth of what our OECD partners were committing to preschool education was a terrible indictment of the Howard government.

When it came to primary education they failed as well because the children who got taught at the schools and who were then tested in literacy and numeracy often failed. I have known children, friends of my daughters, who failed in circumstances where you really wondered why that was happening. Students will lose out if we do not create a national curriculum and certainly those families in my electorate associated with the military will lose out as well.

This is a wonderful piece of legislation. Unlike the member for Dunkley, I can see the broader picture and where this fits in to the whole matrix of our education revolution. I am urging the Deputy Prime Minister to really think seriously about increasing our school infrastructure funding even beyond what we have committed. We have committed $546.6 million during 2008 to state and territory governments and school sectors, particularly through our capital grants program, and that is about helping the most needy schools to construct and upgrade their school facilities. When I look around at the public schools across Ipswich, the Lockyer Valley and Boonah Shire, I can see the disadvantage and I can see the advantage of the kind of assessment that we are talking about in terms of accountability and transparency. Those are the kinds of schools that will benefit so much if the information is there and
available. That will show the disadvantage that they suffer and it will mean that those schools, whether they are public or private, will then have a legitimate claim and case for increased funding.

In my area I am pleased to see that we have been rolling out significant assistance to both public and private schools. Our trade training centre policy has had a benefit in my electorate. St Edmund’s Christian Brothers College, which is a fantastic school in the area of trade training, particularly in the wet trades and in engineering, has applied as the lead school and received $2.9 million under our trade training centre program of $2.5 billion over 10 years. The two grammar schools have linked in and the Ipswich Trade Training Centre will make a big difference in the lives of the kids in my electorate. But the public schools also have benefited by the kind of assistance that we have been giving to the state education system.

In conclusion, I would like to say to the schools in my electorate that have been affected by the recent floods and storms: the Rudd government will be with you and stand beside you and give you the kind of help that you need to ensure that our children in the federal electorate of Blair are educated well. I commend the P&C and the teachers in both the public and the private schools for the work they have done, and I commend the bill to the House.

Mr WOOD (La Trobe) (6.48 pm)—In regard to education I go back to my days at Ferntree Gully Technical School, a very tough school. We had some fantastic teachers indeed. I remember one in particular, Mrs Osland, who was our maths teacher. She did a fantastic job of encouraging all the students to give their best—to give 110 per cent. Her efforts saw people like me and others give 110 per cent when it came to everything we did at our school. Ferntree Gully Technical School has, sadly, been demolished and has been replaced by real estate. It is a sad thing to see that a technical school no longer exists. We now look to St Joseph’s College, which has a technical college, for the future. That was one of the announcements of the previous government. We put the major focus on technical education. I was so proud the day I was with Prime Minister John Howard and the principal, Vin Feeney, at St Joseph’s College. We got to see firsthand what the students at St Joseph’s College were actually doing with their technical school and how proud the students were knowing they were going into a career of technical education.

During the previous federal election campaign the Rudd government promised to build a technical school in Casey in the suburb of Berwick. To this day I do not know what has happened to that proposal and where it is actually going. With one of the fastest growing growth corridors in this entire country, a technical school in the south of my electorate is very much warranted, and I congratulate the former Minister for Vocational and Further Education, Andrew Robb, who during that campaign also made an announcement to build a technical school in the Lakeside, Pakenham or Officer areas. Very sadly, though, as I have stated previously, we actually have not seen anything of the sort being constructed.

A big issue in my electorate during the campaign was the Timbarra secondary school and sporting complex. Timbarra is a new residential area. It had previously been promised by the state Labor government that there would be a secondary school built, so you had all these new people moving to the area and expecting a technical school to be constructed. Sadly, through the wisdom of the state government in Victoria, they decided that they would not actually be building a secondary school and that, in fact, they
would be selling the land off! It was only when Councillor Brian Hetherton approached me and told me that in fact the land had not been sold by the state government that there was still some hope that we could use this land and still have a secondary school built there and also have a sporting facility.

We ran a fairly strong campaign, and there were public meetings to see what community interest there was. There was amazing passion and commitment from the residents of Timbarra, who desperately wanted a secondary school to be built. They campaigned long and hard. I know the candidate for Narre Warren North, Mick Morland, made an election commitment to have an education facility built, and it was eventually matched by the Labor member for Narre Warren North, Luke Donnellan. I congratulate the state Labor government for eventually—only due to a large public outcry and demand—coming to the party and saying they would build a secondary school. Sadly, again, to this day I believe it is still in the planning stage, and we have had numerous fights with the Casey City Council. At the end of the day, all governments are there to do the best they can, whether they be state or federal. What we need to see is this school actually being constructed to service this amazing, huge growth corridor. I know that Principal Ian McKenzie from Kambrya College—I believe it was either this year or last year—had 370 year 7 students, which is quite an amazing effort when you think of all those students going to his school. That is why it was so vitally important to have a Timbarra secondary college.

Also, we have the Oatlanders basketball team nearby, and we have Auskick with the football. What we found again was a crying need to have some sporting facilities there. It was during the federal campaign that I made a $2.5 million commitment for a Timbarra sporting complex. This was going to do amazing things to the local area. First of all, we had all these kids in Auskick scattered around various grounds, and we also had the Oatlanders basketball team based down at Dandenong. They wanted a local venue, and they were very passionate about their local venue. I strongly supported their needs. It was so obvious that because of this huge growth in population we needed a basketball and sporting facility.

Then we go to our Investing in Our Schools Program. I say to the members of the Rudd government that it is one of the saddest aspects of the new government that they cut that program. I can see that you could have renamed the program. I am not sure where the education revolution comes from when you actually cut outstanding programs.

Mr Gray—It was cut in January of 2007 by the Liberal government.

Mr WOOD—I get an interjection. The former Prime Minister, John Howard, actually made a further commitment to that program. I strongly encourage the Labor members opposite to realise that, whether it be a Liberal Party policy, a National Party policy, a Greens policy or a Labor policy, if it is a good idea it is a good idea. When I was at the Upwey South Primary School the other day, they had just opened their learning centre, and they gave strong praise to the previous government and some praise to me, which I thought was rather flattering. It cost $150,000 for their learning centre, including a chook shed to get the little guys to understand about looking after animals and cooking food and to get involved in making sure they become healthy adults in the future. Those involved in the fundraising at the Upwey South Primary School raised $50,000 of their own money. I say again how disappointed all the schools throughout my entire
electorate are that they are not receiving the Investing in Our Schools Program funding.

We also talk about how we are having a revolution with the rollout of computers. I think that in my electorate there are two schools that have received computers. One school in my electorate is Emerald Secondary College. Sadly, under the previous Investing in Our Schools Program funding, Emerald had purchased some computers, so they are basically stuck between a rock and a hard place because they did not actually receive any. The schools which did were St Joseph’s College—I congratulate the government; they got a fair number—and Belgrave Heights Christian School, which I believe only got five. Every other school in my electorate missed out on these computers. So, if we are going to have an education revolution with rolling out computers, let us actually do it and not just talk about it.

Finally, I would like to talk about the Healthy Active Australia program. I know two of my schools applied for it: Kallista Primary School and Ferny Creek Primary School. Again, both missed out, and that was absolutely devastating. What was more devastating is that under the new government they could not get answers; they could not find out whether their application had been accepted or rejected. I find it outrageous when schools have to spend their time finding out what is actually going on. It is one of those things with education.

As I said earlier, I went to a pretty tough school in Ferntree Gully tech, and a lot of my friends, sadly, ended up going to jail or dropping out of the education system. In my maiden speech I spoke about the need to prevent people falling through the gaps of the education system. That is something which to this day I firmly believe in. I know how Belgrave Heights Christian School and its principal, Andy Callow, look after children with special needs—in particular, I believe, those with Asperger’s. The school really take more than their share of the weight when looking after special needs children. One of the problems they have, especially as a private school, is that when the funding transfers from a state school to a private school the funding does not actually go with the child. It stays at the state school. So the private schools such as Belgrave Heights Christian School are really suffering under this, and that is something which I strongly urge the government to change.

Finally, I again congratulate all the hard-working teachers in the electorate of La Trobe. Whether state or private, they do an amazing job. They are the guardians of the future in our younger generation and they have this huge burden and responsibility. I look forward to the education revolution coming. Sadly, in my electorate, it involves two schools with computers. No school actually has any funding for the healthy eating and active learning program. I strongly encourage the government to look at the Investing in Our Schools Program. The Labor members should really hang their heads in shame, especially the backbenchers who allowed their new government to get away with this. It was a first-class program and one which should never have been scrapped.

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (7.01 pm)—I have listened to the debate on the second reading of the Australian Curriculum, Assessment and Reporting Authority Bill 2008 in a couple of parts over the course of the last hour. There are some things that keep being repeated by those opposite. One is that the current government ended the Investing in Our Schools Program. Of course, the Investing in Our Schools Program was an excellent program. It was an outstanding program. I have attended many launches of initiatives under that program in
schools in my own electorate—two in the last week. What comes to you instantly is that it was a quality program. Whenever I get up to speak in front of the kids and the parents and friends associations at whichever school it is, I always refer to the fact that this was a program that was put in place by the former government. It was a good program with some very good outcomes, but it was also closed by the former government in January 2007. It is disingenuous to come into this place and want to take all the good things but to not take the responsibility for the difficult decisions that you made when in government.

We also frequently hear in this place that this bill is the first step in a process that will undermine non-government schools. That position is just as dopey as the position which Mark Latham took to the election in 2004—which people voted against and which will never be resuscitated again by the Labor Party. It is necessary in this place to learn from your mistakes as well as to build on your strengths. Time and time again, what occurs to me is that members opposite are not good at trial and error learning. They are not good at learning from their mistakes. The Investing in Our Schools Program was a great program. Ending that program was the decision of the former government.

The Australian Curriculum, Assessment and Reporting Authority Bill 2008 is an integral component of the Rudd government’s education revolution. It fits into a series of programs which the government has in place that underpins that education revolution. There are tax breaks for families to help them buy computers, to get internet connections and to buy textbooks and schoolbooks. It is about putting computers in schools and it is about vocational training. It is about cooperation with the states. It is a revolution to improve Australia’s education standards, to give parents more confidence in our education system and to better serve the education needs of future generations.

To put this in context, the World Economic Forum report released in 2007 concluded that, when it comes to maths and science teaching, Australia came 29th in the world. The 2007 OECD Education at a glance report found that Australia was spending 4.3 per cent of gross domestic product on all levels of public education, compared with the average of five per cent amongst those nations with whom we would most commonly compare ourselves. It also found that Australian students aged from 12 to 14 spend only 30 per cent of their day on core subjects such as reading, writing, literature, maths, science and foreign languages. So there is a massive amount of work to be done to realign and to refocus our schools on what they do. With students spending so little time on core activities, it was estimated that approximately 50 per cent less time was spent by Australian students on those core subjects than their counterparts in other industrialised nations.

A September 2007 Courier Mail article examined the OECD report and sought academic comment on its findings. Professor Ken Wiltshire of the University of Queensland, a professor of public administration, saw the lack of time being spent on essential core subjects as redefining the need for a national core curriculum that sets out what has to be learnt and how much time should be devoted to the most important subjects. Of course, it is not just the industrialised nations with whom we now need to compare ourselves. As Australia grows in a most dynamic part of our globe we are also seeing our competitors investing in education and producing a generation of highly educated, highly competent young adults who are entering the workforce and driving productivity growth in the countries in our neighbouring environment.
According to 2007 figures from the Australian Bureau of Statistics, there are 9,581 schools in Australia, with 6,853 government schools and 2,728 independent or Catholic schools. In Western Australia there are 1,068 schools, of which 769 are government schools. In my electorate there are 34 schools of all categories. Across Australia there were almost 200,000 year 12 students enrolled in 2007. As you would expect, in Western Australia, having about 10 per cent of the national population, we have more than 20,000 year 12s. Currently there is no way to tell if the 200,000 students who were enrolled in year 12 last year were well served by their school. Currently, there is no way to tell if the parents of those 200,000 students made the right choices in regard to their children’s education. That is why this government, when in opposition, committed to a national curriculum and national standards as part of an education revolution.

This is not new. It is something that has been discussed at great length on all sides of this parliament and over a very long period of time. I pulled up today a speech by former minister for education, John Dawkins, dated May of 1988 and at that time Minister Dawkins was discussing exactly the same issue. What is different is that we have now stopped talking. With an education minister who has the drive and capacity and a Prime Minister who is focused on education as we have today, it is the opportunity, the time and the right place for us to be making these steps to properly assess how our schools operate and how our kids perform.

The former government, under education ministers Vanstone and Kemp as well as the member for Bradfield and the Deputy Leader of the Opposition, delivered very little in 12 long years. They did commission 24 reports resulting in 220 recommendations, but they failed to act like the government before it. In spite of the Prime Minister’s support for a national curriculum and national teaching standards, education ministers from the coalition government did not deliver it for him. International reports slated Australia’s education system. A 2006 OECD study demonstrated that reading literacy had declined from 2003 to 2006. At a time when nations that compete with us for economic opportunities were turning out large numbers of highly competent and highly educated graduates, our numbers in Australia were effectively going backwards. In terms of scientific literacy, 40 per cent of Indigenous students, 27 per cent of remote students and 23 per cent of lower socioeconomic students performed below the OECD baseline. Year 12 completion had reached a plateau of around 75 per cent in 1992, after significant increases in the 1980s and early 1990s. Again, I went back to John Dawkins’s speech of 1988. At that time, he was plotting a course in school retention rates that had risen from the low 30 per cents for boys and girls to the middle 50s and low 60s for boys and girls as the 1980s ended. As the early 1990s started, that share rose again to 75 per cent and it is sad that it did not continue to rise from there.

Figures and facts like these are a large part of the Rudd government’s rationale for committing to an education revolution. Speaking in early 2007, the Prime Minister stated:

...when it comes to Australia’s economic future, our economy needs an education revolution in the quantity of public investment in education, and the quality of the education outcomes we’ve produced.

The then shadow minister for education and training and the now Minister for Foreign Affairs stated when becoming the education spokesman that he strongly supported moves to a national curriculum. Speaking in February of last year, the Minister for Foreign Af-
fairs, then the education shadow minister, made this point:

We are now a much more mobile workforce nation and as a consequence a much more mobile education nation. People are entitled as they move from state to state for employment purposes, to see their children being taught the same things in our primary schools and in our secondary schools.

And he is right. The principal city in my electorate of Brand is Rockingham, which is a Navy base. The people who serve that Navy and serve our nation at HMAS Stirling often carry their kids from school to school around our nation. Getting alignment of curriculum and content is important to giving those parents the comfort and the certainty that their children are being educated in a way that matches national standards and in a way that is the best possible education for children of mobile parents.

The Rudd government’s first budget delivered a $19.3 billion boost in education initiatives over the next four years, including $1.2 billion for the digital education revolution, a $2.5 billion trades training centre program, guaranteed funding to government and non-government schools, national curricula in English, maths sciences and history, and tax incentives for the purchase of computers.

The Australian Curriculum, Assessment and Reporting Authority Bill 2008 delivers on a 2007 election commitment. It will create an independent statutory authority. The authority will develop and administer a national school curriculum, including content and achievement standards—satisfying the needs of the men and women who serve Australia’s national interest at HMAS Stirling—and develop and administer national assessments, allowing parents wherever they are in the country to understand more clearly where their child sits within their own school population and where their school sits within the school populations both in the states and across the nation. They will collect, manage and analyse student assessment data and other data relating to schools and comparative school performances. It will facilitate information sharing between Australian government bodies in relation to the collection, management and analysis of school data. It will make public information relating to school education, including information relating to school performance, and provide school curriculum resource services, education research services and other related services. It will provide information, resources, support and guidance to the teaching profession. The authority will consist of a 13-person board of directors appointed by the states and territories, the Commonwealth and the Catholic and independent sectors. It will have a chief executive office and staff for the authority.

This bill will create unprecedented transparency in schooling. For the first time, parents and the community can know what is happening in our schools and how it relates to an agreed set of standards. The bill is about collaborative national reform—that is, working with the states, schools and communities. There are considerable benefits in centralising the management of curriculum. The opportunity to reduce duplication of resources and costs and the resulting greater effectiveness will allow financial efficiency. The states and territories will benefit from a streamlined, simplified and shared national structure through which all Australian governments can drive forward education priorities. This will not remove the state and territory governments’ responsibility for curriculum arrangements. The states and territories will be able to provide nominations to, and endorsed membership of, the authority’s board of directors. Ministers will retain sole responsibility to direct the authority through the Ministerial Council on Education, Employment, Training and Youth Affairs.
All Australian schools need to be more transparent and more accountable. That benefits parents, teachers and, most importantly, pupils. There is currently no accurate, comprehensive information that would allow rigorous analysis of what schools and students are achieving. As a parent I find that a significant lack in our system. I am pleased that in Western Australia under the WALNA system I get an insight into both the performance of my schools and the performance of my children, but it would be better to have that information on a national database, matched against national standards and not simply local and state standards.

Individual school performance reporting will have three key benefits for Australian students: it will enable analysis and evaluation of school performance, allow a great level of accountability to the public and lead to better resource allocation. For the first time the government will be able to identify schools with particular needs and identify high-performing schools, allowing their best practices and innovations to become visible, understood and then copied. Publicly available information about schools’ performances will encourage schools to be accountable for the public funding they receive. This same information can then be used to identify where resources are most needed to lift the performance of schools.

The debate over schools’ performance invariably includes a discussion of league tables. The government has made it clear that publishing raw test results of individual schools is simplistic and unfair, and it is wrong to evaluate school performance in that way. However, it should be noted that raw league tables are published now in Western Australia through the TEE score publications each January. The government’s approach aims to be comprehensive and sophisticated by comparing like schools. Comparing like schools that serve similar student groups and communities will be a major boost to educational quality and quantity. I have a school on my patch in Mandurah where the student population turns over once every three years. In any given year 30 per cent of that school population can expect to have moved in and moved out. It is a phenomenal turnover rate. A capacity to understand the educational attainment of children in that kind of environment and for teachers to understand what a good and what an outstanding teaching performance look like in that environment will be extremely valuable.

This bill provides the foundation for much of what the education revolution is aimed at delivering. If we are to identify where there is a greater need for educational support, we need a basis for fair, consistent and accurate analysis of how different schools are doing. Comprehensive and accurate information on schools’ and students’ performance informs teachers, parents, principals and governments of what needs to be done. League tables are simply too simplistic. They do not take into account differing socioeconomic status or the numbers of Indigenous kids, children from non-English-speaking backgrounds, children with disabilities and children from highly mobile backgrounds. The information that this bill will facilitate will allow government to look at comparable schools and their results to understand different patterns of disadvantage, to share best practice and innovation and to target support where it is most needed. It is about evidence based policy, evidence based public policy outcomes and applying the best research tools to understand what happens in schools and what best we can do to optimise that for our kids.

There are many new initiatives that we have announced in this place over the course of the last 12 months. We have announced our trades training in schools initiative of $2.5 billion over 10 years, our $1.2 billion
digital education revolution, a $62.5 million Local Schools Working Together package and also significant tax deductions and incentives for families to invest in computers, internet, textbooks and educational materials to support their children’s education and acquisition of technology, with a maximum refund of $375 per child in primary school and $750 per child in secondary school. The government is not simply talking the talk. We are walking the walk, and we are putting resources behind this significant need.

I will conclude by saying it is clearly the case and has been identified time and time again by educational research that early childhood education is a critical area of need. We have heard in this place on many occasions over the course of the last 10 months that children in their first five years have the greatest capacity to learn. It makes sense, therefore, that investing at this time in a child’s life and in their education brings the biggest impact for dollars invested. It is why the education revolution stands with a commitment of 15 hours per week for preschool for all kids. In a zero to four program that I attended recently at Warnbro Primary School, I was delighted to see not just the number of kids coming along to enjoy the school environment but most importantly the number of mothers attending too—young mums who were able to talk to other mums from the suburbs nearby to start putting in place the logistics to get their kids to school for the coming year and also to start to understand the role of parents in education, reading books, encouraging attendance and ensuring that kids have a good breakfast before they start school.

All of these programs come together in a way that our government hopes—and I am sure the other side of this House also hopes—is a serious attempt to get our education right, to help our kids as best as we possibly can and to give them a great start for the future. I commend the bill to the House.

Ms Marino (Forrest) (7.21 pm)—I rise to speak on the Australian Curriculum, Assessment and Reporting Authority Bill 2008. This bill will establish a new Commonwealth body, the Australian Curriculum Assessment and Reporting Authority, that will develop and administer the new national curriculum and collect data providing analysis and research to governments.

Although the development of a national curriculum began under the Howard government, and indeed our current coalition policy is in favour of a national curriculum, the opposition has expressed sincere concerns about the direction the curriculum has taken in terms of its content under Labor. We differ from Labor in that the coalition supports flexibility in delivery and will also support choice for schools that wish to offer an alternative curriculum such as International Baccalaureate or Steiner schools. The current eight state and territory curricula and schools have a reasonable amount of freedom at a local level and the current move to a national curriculum in the proposed form will therefore threaten choice and diversity.

While this bill was being drafted the government appointed an Interim National Curriculum Board to work on developing it and that particular board appointed working groups in each of the four subject areas being covered by the curriculum—mathematics, English, the sciences and history. This new authority, ACARA, will assume powers over curriculum and assessment that are currently with state governments and it will be further empowered by its secondary role as the primary data analysis and research centre in relation to student assessment.

According to Dr Kevin Donnelly, the Director of the Melbourne based Education Strategies and author of Dumbing Down,
whose article was published in the November edition of Australia’s Education Review, the importance of the national curriculum both in terms of what is taught and how it will be assessed, described as ‘core content’ and ‘achievement standards’, cannot be overestimated. The new curriculum to be implemented in 2011 and, covering kindergarten to year 12, will be mandated for all schools, government and non-government. While Catholic and independent schools have had some flexibility in relation to adopting government controlled curriculum, such as offering the International Baccalaureate or adopting a particular educational philosophy in the way that Steiner schools provide, in future such diversity and choice will no longer be allowed.

Also the recent Schools Assistance Bill 2008 tabled in the Commonwealth parliament states as a condition of continued funding that non-government schools must teach the proposed national curriculum. According to the Constitution, education is a matter for the states, therefore the Commonwealth government does not employ any teachers or manage any schools and the eight states and territories are responsible for what is taught and how it is assessed. In addition, to be politically correct, the greatest danger in imposing a national curriculum is that teachers wherever they teach will be forced to adopt a one-size-fits-all approach. Evaluating school and teacher performance by publicly releasing the results of how effective they are in implementing the national curriculum will only add to the pressure to conform. So much for diversity and choice!

I spoke in the House recently on the Schools Assistance Bill 2008 and I spoke of my concern that the new requirement in school funding agreements needed to comply with the national curriculum by 2012. Labor also promised not to alter the Howard government’s SES funding model for non-government schools for the 2009 to 2012 funding period. Yet the Schools Assistance Bill, currently the subject of a Senate inquiry, may, going forward, lead to a change in the funding model.

It also mandates that schools comply strictly with the national curriculum, introduces new disclosure requirements that will discourage community fundraising for improving school resources and abolishes establishment grants to new non-government schools. This will make it considerably more difficult for new and developing communities to develop choices and diversity for their children in their local area.

I have previously voiced my concerns that the proposed reporting requirements could even lead to well-run, successful independent schools decreasing their fundraising activities for extracurricular out-of-school activities in order to maintain their Commonwealth funding for day-to-day operations. Their funding could be capped at the 2008 rate, or worse, when non-government schools are forced to reveal their sources of funding, it would make it very simple for a Labor government to justify cutting back its funding contributions to independent schools. I reiterate: this is just simply wrong and is fundamentally flawed. Successful, well-run private schools have well-proven business plans for the future. They expect to continue to be successful, knowing the school board makes sound education and commercial decisions. They do not deserve to be punished for their sound decisions, decisions which include the acquisition of assets for the purpose of educating children.

The measure proposes to cut funding because a school is offering high-quality facilities and resources and is a radical change to the formula for Commonwealth funding for non-government schools. But the funding model also ignores many of the costs in-
volved in offering diversity in education. I noted with interest a submission to the Schools Assistance Bill 2008 from the Queensland Catholic Education Commission, which stated:

We respectfully submit that the funding model fails to recognise the very high costs of enrolling Indigenous students. The cost of supporting these students is significantly higher than that of non-boarding Indigenous students.

At the Senate inquiry the Australian Association of Christian Schools’ chief executive Bob Johnston is reported in the West Australian as saying that benefactors could be reluctant to donate if they were to be named. He said that a business seen to support an independent school could be boycotted by opponents of private education. Independent Schools Council of Australia Executive Director Bill Daniels said:

We consider this to be intrusive and unnecessary and will almost certainly lead to a divisive public debate.

Labor has also announced plans to review school funding in 2010. On the evidence to date it is clear the government intends to return to Mark Latham’s private school hit-list, which is sure to get a re-run. Labor clearly plans to mandate the introduction of the national curriculum before the end of the funding quadrennium in non-government schools as a condition for those same schools to receive funding from 1 January next year even though we have no idea yet what the national curriculum will actually look like.

There is no justification for demanding schools sign up to an unfinished national curriculum proposal that they have not seen in return for funding. As Bethany Hiatt wrote of Christ Church Grammar School headmaster Garth Wynne in the West Australian on Saturday, 8 November:

It is appalling that schools are being held to ransom like this. We cannot operate without the funding but are not made aware of the actual details of the conditions attached until after the event. It is best described as financial blackmail of independent schools.

Earlier in the West Australian on Friday, 31 October Bethany Hiatt also interviewed Hale School principal Stuart Meade, who said:

It is a life lesson we teach our students all the time—don’t sign for something unless you know what you are signing for.

This is a widely held concern. The West Australian reported Senator Steve Fielding as saying that he had been swamped by calls from schools worried about being forced to sign up to the curriculum when the details were unknown. The senator said:
The Rudd Government is saying ‘trust us, we will give you the detail’ but most Australians would like to see the details first because education is such a cornerstone … He also said:

The last thing schools want to feel is a gun to their head dictating what they can teach kids.

The Deputy Prime Minister has repeatedly refused to confirm that schools currently delivering alternative, internationally recognised curricula will be able to continue to do so. This puts at risk curricula that are designed for high-achieving students and special students and curricula based on alternative educational philosophies that parents may choose as most appropriate for their children. It also potentially puts at risk those faith based schools that teach specific faith based components in addition to their current state curricula.

The Deputy Prime Minister refused to give certainty to these schools by accepting the opposition’s amendment to the Schools Assistance Bill to remove the mandatory application of the unwritten national curriculum. Alternatively, the Deputy Prime Minister could amend the bill to allow ‘application of the national curriculum or an approved equivalent’ or similar legislative language.
Instead, in a speech on Monday, 10 November, the Deputy Prime Minister deferred decisions about whether alternative curriculum based schools would be able to continue under ACARA. This means that, under the current government, ACARA will have the final say over whether certain curricula are allowed to continue, such as the International Baccalaureate, University of Cambridge International Examinations, Montessori schools, Steiner schools, Christian schools, Islamic schools, Jewish schools and those in my electorate like Child Side School in Boyanup.

For a national curriculum to succeed, ACARA and the government will need to convince each state education department, each state government and the non-government sector that the national curriculum will not interfere with those aspects of their present curriculum which provide the specialisation or differentiation supported by parents and that, in all other aspects, the national curriculum will be superior to their current curriculum. At this stage we have little idea what the national curriculum actually is for maths, science, history and English. We do know that the framing documents are currently being drafted, but so far the only documents that have been released are the initial advice documents on the history and science curricula. The final documents will not be presented until some time in 2009, yet the Schools Assistance Bill sought to tie the school funding to that particular curriculum’s assessment. The final impact of the Australian Curriculum, Assessment and Reporting Authority Bill 2008 over the four-year period to 2012 is $37.2 million, made up of $20 million committed to support the work of the National Curriculum Board and $17.2 million initially committed to establish an independent National Schools Assessment Data Centre.

Non-government schools educate more than 40 per cent of Australian secondary students. Parents who take on extra work, save or go without in other areas of their lives just to send their children to non-government schools save the Australian taxpayer billions of dollars. My understanding is that non-government schools educate over 30 per cent of all students in Australia. Government funding assists in offsetting the cost of this education. Parents and students deserve choices in education. This bill is problematic for the 29 non-government schools in my electorate of Forrest. These schools pride themselves on offering a full learning environment for their students, inclusive of pastoral care that nurtures and develops the potential of all students. School boards also recognise that their students are not at their learning institution in isolation from the rest of the community, and a great deal of effort is made to embrace and work in partnership with the community. Parents also take a major and often direct interest in the schools in which they place their children. Through their application process and direct meetings, discussing the needs of their children and what the school has to offer, parents, teachers and principals all take a holistic approach to the education of those in their charge. There is ongoing monitoring and cooperation and a comprehensive information flow from schools to parents and the community through the schools’ dynamic websites that are one working example of their creativity and marketing skills that actively promote the achievements of their students.

Schools’ websites provide a wealth of information, from historical data about the origins of the schools, to vision statements and mission statements, their structure, their staff, curriculum information, discipline policies, current newsletters and virtual tours of schools. Take Mackillop Catholic College in Busselton. It currently has an enrolment of
over 500 students from years 8 to 12. There is a strong pastoral focus to ensure the well-being of students and reflect the expectations of parents. The religious education program is conducted in accordance with the guidelines of the bishops of Western Australia and helps the students to develop a framework for their beliefs and values. The education program caters for all ability levels and leads to university, TAFE, traineeships and workplace opportunities. The emphasis is on providing opportunities for the development of the whole person—intellectually, physically, socially, emotionally and spiritually.

There is also Ocean Forest Lutheran College in Dalyellup, a co-educational day school established initially as a kindergarten to year 8 school in 2004. Today, in 2008, it caters for over 500 students up to year 12. It is clearly a working example of the need for and growth of independent schooling and the need for parents to have diversity and choice of educational opportunities for their children. An education at Ocean Forest gives students the opportunity to grow in intellect and develop values that are taught within the context of a Christian community that will equip them for their life’s journey in the 21st century.

Kearnan Catholic College in Manjimup, originally founded by the Sisters of St Joseph in 1925, provides primary education facilities for local children and draws its secondary students from the surrounding regional areas of Manjimup, Bridgetown, Pemberton, Northcliffe and Greenbushes. The school’s website even provides information about children’s allergies and lists the names of those students as a preventative health measure to inform other parents and the community. I congratulate the school for this foresight.

St Brigid’s School in Collie offers a progressive learning community which nurtures the holistic growth of all children within a supportive Catholic environment. It has a commendable history of providing educational services dating back to 1902. The Cornerstone Christian College in Busselton caters for kindergarten through to year 12. The college board and leadership team aim to bring together and equip a competent team of Christian educators and support staff who are committed to making a life-enhancing investment in the students they serve.

What all this demonstrates is that independent schools in my electorate are well equipped to work within the current education curriculum. It also demonstrates that they do not consider the curriculum to be a single dimension to the education of our youth. Pastoral care of students and connection with parents complete the educational and nurturing environment.

Georgiana Molloy Anglican School promotes the ethos of a communication triangle of parents, children and school, and believes that consistent communication is required to bring out the best in a safe and caring learning environment. Bunbury Cathedral Grammar School is another school that nurtures the learning ambitions of its students and has strong pastoral care. The school environment is one that provides opportunities that challenge and extend its students.

I note that the ACARA board composition will include a representative from each state and territory, as well as the Commonwealth, and representatives from the National Catholic Education Commission and the Independent Schools Council of Australia. I note that in appointing board members section 14 requires that the ministerial council ensures that members of the board collectively possess an appropriate balance of professional expertise in matters relating to school curriculum, school assessment and data management, analysis and reporting in relation to school performance, financial and commercial matters in relation to the management of educational organisations, and corporate
governance. None of the five criteria for the composition of the board requires that anyone who has ever been a teacher should be a member of the board, and I believe it is particularly important that practising teachers should be consulted extensively in the committees and working groups under the ACARA board.

It concerns me that the government’s move, through the Schools Assistance Bill, requires additional financial information from non-government schools’ funding sources to be collected by the data collection and analysis arm of ACARA. However, while ACARA’s new powers in relation to the curriculum are considerable, they follow from the commitment to having a national curriculum that is designed to replace the eight current curricula around Australia, after the appropriate consultation and consideration. It is reasonable, therefore, to accept that ACARA will be the instrument to support the development and administration of a national curriculum.

Mr RIPOLL (Oxley) (7.40 pm)—I rise to speak on the Australian Curriculum, Assessment and Reporting Authority Bill 2008. I do it with great pleasure. I have spoken before in this House on a range of education related matters and bills. In particular, I am very proud that it is the Rudd Labor government that has stepped into the breach, into that yawning gap that existed for so long in this country where we needed a substantial and credible education revolution—exactly what we are providing. What we have before us today is part of that revolution and part of what will be a substantial move forward in the level and quality of education provided in this country.

Yesterday, Rupert Murdoch gave a very frank assessment of public education in Australia when he spoke at the Boyer Lecture. He said:

The unvarnished truth is that in countries such as Australia, Britain and particularly the United States our public education systems are a disgrace. Despite spending more and more money, our children seem to be learning less and less—especially for those who are most vulnerable in our society.

Today the global economy is raising the bar for success. The need is urgent: countries like Finland and Korea and Singapore are leaving us behind when it comes to education. We need to reform our public education system—and make our schools internationally competitive with the best of them.

He went on to say:

The truth is this: a public school system that does not serve the least of society betrays its mission. The failure of these schools is more than a waste of human promise, and a drain on our future workforce. It is a moral scandal that no one should tolerate. A basic education—and the hope for a better life that it brings—ought to be the first civil right of any decent society.

I could not have put it better myself—but perhaps with just one small change: rather than just say our ‘public school system’, I would say ‘our schools’. I think that is the extent to which work is needed in Australia. It involves all of our schools. We all need to lift the bar and lift the standard.

There is no question that what has happened certainly over the last decade but also over a longer period of time is that more and more money has been pumped into our education system, with fewer and fewer outcomes. That is something I do believe. I think we see that in the results when assessments and other measurements are taken. It is a sad indictment. There are many reasons for that being the case. Perhaps today, in a much more sophisticated and fast paced world where learning is different, where the amount of information available is beyond count, where the pressure on young children to perform is enormous, where the amount of information that can be taught is sometimes
attempted to be taught and where the resources drain on our schools, be they independent or government, there is an enormous challenge for all of us. That is why something major had to be done—something serious, something that would break the nexus of what we had just seen in the past and something that would take us on a new road in educating all of our children. I believe that is what we are now doing. I believe that is the road we have taken.

It is really simple to put it in context—that is, if we just kept going on the road that we were travelling on at least for the past decade, nothing at all was going to change. It would be the same old arguments and the same tired old debates about public versus private—that dragged out, politicised and completely meaningless betrayal of our children. That useless debate that we saw from the former government was an absolute betrayal of young minds and of parents. That debate about the percentage of funding versus the percentage of kids that go to certain schools in certain areas is an absolute crock. It is simply garbage. It is made up to confuse people about the reality and the core value of what education is meant to be and what education is all about.

It is about all of our children equally. It is about every single young person in this country having an opportunity to realise their best potential and to obtain the best possible education that they can from the school they attend in the region they live in and not just simply being blinded and fooled by the rhetoric and the politicised, poll driven views about what makes people instantly gratified—‘I am a taxpayer and I should get more back just in my school.’ It is very simplistic. I find it a very rude approach to what education policies should be in this country.

If we are meaning to make a difference to young people in this country, if we are to lift the standard, if we are to bring about a real educational change, if we are to deliver something substantial and real, if we want to compete with our neighbours, we have got the message. The real test for us as a country is: are we lifting our standard to meet the international standards of our nearest neighbours and competitors? Unfortunately, the answer to that would be: not enough. We have not been good enough. We have been good to a certain level, but soon that will not be enough, so we need to make a major change. That change is contained, in part, in the bill that we have before us. It is about doing something at the national level—something difficult but something real—about measuring and assessment for the right reasons. It is not about some simplistic table where you just rank everybody from one to 100 and, if you are at the top, you are good and, if you are at the bottom, you are bad. That is not what it is about. If anyone truly looks closely at what the drive and the motivation is in trying to provide a better system across this whole country then they will understand that, if you use data correctly with the right motivation, it can be of assistance and helpful. That is exactly what this is all about.

I have always had the view that, if you have more than one system, they might be good but one of them will not be as good as the others. This is the problem we have had in Australia. We have too many different systems of education—difference in funding models and complications in how we determine what school gets what and which child gets what percentage of funding. In the end, it really ought to be turned on its head and we should all ask ourselves, ‘How can we best serve the young people of this country to give them the best opportunity?’ I believe that everybody in this place has the same belief. That belief is as simple as this: all of us have opportunities through education and,
in the end, it really does not matter where you are born and where you come from as long as you get a great shot at education because that is your meal ticket for life, that is your passport not only to freedom but to a future, to changing your own family history and to success.

The evidence is all around us. It is in any country on the face of the planet. It is around us here in Australia. When you give disadvantaged kids an opportunity, they succeed. When you give Indigenous communities an opportunity, they succeed. When you give young people from so-called low socio-economic areas and the so-called wrong side of the tracks great opportunities, great things come out of that. I think we have seen that in a whole range of areas. There are hundreds of people we can point to who have had those opportunities and done great things.

It does not matter which country you come from but I want to particularly focus here on Australia and I want to set the scene. If we truly want to make a difference, we have to make some hard decisions. That is what we are doing through our education revolution and through this bill today. Across the nation there are thousands of hardworking, underappreciated public school teachers and non-public school teachers striving to give our school children the very best start in life that they can. But the best efforts of those teachers in this country have been, I believe, undermined and torn apart by the tired old debates that I referred to earlier. It is not a competition between government and teachers. It is not a competition between state and state. The competition is in providing the best possible educational outcomes for all of our kids, every single one of them, wherever they live. It is about understanding that the central importance of educating people is giving them a better opportunity in life.

It is a disgrace, but the blame for things that have happened in the past need not be as important as the things that we need to do in the future. But I do want to make this remark: it is not so much about blame as about missed opportunity. You will hear a number of speakers on this bill criticise the government. They will criticise the government about the actions and the forward movement that we are taking to get education right in this country—although maybe not the opposition member over there nodding his head. But the opposition are standing up and criticising every single bit of education reform in the tough decisions we are taking. But they are doing it in a funny way. They are doing it in that old two-step—one foot on one side of the street and one foot on the other. None of what we are doing is good enough but yet, funnily enough, they are saying that we have copied most of it and that it really is just their old policies.

I think they have got it wrong on both counts because our policy is actually good enough and we will build into the future and it is not their old policy. It may appear if you skim the surface that there are similarities in certain parts, but when you scratch below the surface and you look at the work that has been put into delivering this bill and the other bills we are putting forward in the education revolution then you will understand the full depth of what we are trying to achieve. It is about reward. It is about ensuring assessment. It is about bringing out the best in people. It is about ensuring measurement. It is about making sure that funding goes to the schools that need it the most first. It is about ensuring that the kids who need a hand up get that hand up.

It is not just about a league table; it is not just about which school is a Christian school, a Muslim school, an independent school or a state school. I do not care which school it is. I do not care. I do not care if it is a Catholic
school, an Anglican school or a Muslim school. To me they are all valuable. All of those schools are equally valuable. They all contribute to educating our children. They all contribute to the wellbeing of this nation and to the economy of this nation. Why should we in this place discriminate in the way we provide resources to those schools? We heard from speakers on the other side the argument over percentages. They said that parents work very hard to send their kids to independent schools. That is true. They do. And so do parents who send their kids to government schools. They all work very hard. It is not as if one parent necessarily works harder than another. Parents do the very best they can. They do what they can with what they have.

What we in this place ought to do is make sure that, wherever parents send their children to school—whether they send them to a school they choose or whether they have no choice—that school is properly funded and resourced by the Commonwealth, by the states, by local government, by the school community, by the larger community, by fundraising efforts and by whatever other mechanisms those schools have available to them. We in this place are all clever enough to understand that not every school community, be it independent or government, has the same availability of resources or capacity for fundraising. You need to be able to fund schools based on need. That is at the core of this. That is at the core of what we are trying to achieve and will achieve with this bill.

For the first time in this country we will draw together a national curriculum, a national assessment scheme and a national reporting scheme. It will be at arm’s length from government and it will be removed far enough to be able to make independent judgements and assessments. The board will be made up of people appointed by government and others who are independent and who have the right experience. It will be a strong collection of people who can make core value judgements based on a policy framework that we have put forward. It will ensure not only that resource allocation is right but that the quality and standard of teaching in this country is raised and that the outcomes for children in this country are raised higher. You must do that in cooperation with the states, with the schools, with the parents and with the community. That is exactly what we have done. We have more than just policy and an educational framework; we have done more than just talk the talk. We heard it before, but we are actually walking the walk as well and that means putting cash on the table.

The only way you can achieve what we are setting about to achieve is if you properly resource schools, if you properly resource the states to play their role and if you properly resource parents. We are doing all of that. We are putting computers in schools. We have heard the criticisms. But the criticisms are a little bit hollow. It is pretty hard to complain if your school is one of those schools getting computers. I have not seen too many schools knocking them back. I understand there are some issues about infrastructure and maintenance funding, but they are issues we will work through in the future. Right now the priority is to get those resources into those schools.

We are for the first time giving parents the ability to claim back through the tax system educational expenses. The opposition will cry all sorts of tears, but the reality is that the opposition had 12 years to take some action and 12 years to turn things around. They had 12 years to go to the parents they supposedly supported—particularly with respect to independent schools—but what did they actually do for them? Did they give them a tax break? Did they give them opportunities? Did they better resource them to provide better out-
comes? Did they work with teachers? Did they sit down with the teaching community in this country? No. They fought them head on. No matter what the opposition think of teachers—and we know what they think because it is on the record—in the end they are the people who teach our children. They are the ones we entrust. Those teachers probably spend more time with our children than most of us do—and that is particularly felt in this place. They are highly influential people. Shouldn’t we invest in them as well? Shouldn’t we provide those we entrust with the education of our children with the greatest tools available to ensure they are best suited and best trained? Shouldn’t we lift the bar for teaching standards in this country and work with them?

That was not the approach we saw. We did not see that approach from the opposition when in government for 12 years. We saw them fight teachers, fight state governments and fight state schools. They wanted a battle—a battle with no point and no end; a battle that did not seek an outcome about kids, about children; a battle that in the end was about their politics, not about our children’s future and our children’s education. That is the stark difference. That is the gaping chasm, which I referred to at the start, between where we on this side of the House stand and where the opposition now sit.

People understand that. I think it has taken a while for all of us to get to the point where we in this country have some sophistication and a core understanding of what it is about. It is about children. It is about education. It is about making sure that we have the right mechanisms in place. This bill will provide that. This bill will provide a national curriculum focus. It will mean that the standard that we set, the high bar that we set, will be the same across Australia. Regardless of which state or territory you come from, you will have the same opportunities. In the end, that is what government should facilitate. It should facilitate the provision of opportunities. It should not squabble over what percentage the Commonwealth believes it should or should not put into a particular school sector compared to what the state puts in. In the end, regardless of who says how much the percentage is, it comes out of the same bucket of money—that is, taxpayers’ money. That is the bottom line.

If we are going to be true to the taxpayer and true to the parents who want the best possible outcome for their kids then we have to do the right thing. This bill sets the government and this country on that path. This is about an education revolution. We will deliver on everything that we have promised. This bill sets the groundwork. There is a lot more work to be done. But this bill in the end will be part of how we manage and increase resources for every single child in this country, to give them the best possible education with the best possible teachers. It will be part of how we remain internationally competitive, how we lift the standard in this country and how we make sure that funding and resources are provided to schools and kids based on need, not on where or who they are. I commend the bill to the House.
working on it, but the issue of a standard curriculum across the country is a bit easier to resolve. It just needs the cooperation of the states, which appears to have been achieved after the obstructionism, brinkmanship and empire defences that have characterised their intransigence for some years. Yet, despite the need for a common start date, I remain concerned about some aspects of a national curriculum. To illustrate these issues I will refer to elements of the Minister for Education’s second reading speech and highlight what was said in the context of the national curriculum.

In the minister’s introductory remarks, she mentioned the education tax refund, which she stated was for educational expenses incurred since July this year. I am sure that with this bill the government wants eventually to have the opportunities for education standardised across the country, yet whenever I hear the government speak about the education tax refund I do not know whether they are talking about the same bill as the one for the refund that I have seen. After all, the government’s refund applies almost entirely to computer hardware, software and peripherals. I can assure the government that education expenses are much broader than that. At the local state school my children attend, there are expenses for uniforms, excursions, incursions and voluntary P&C fees, which all have to be paid by parents, and yet the education tax refund does not assist with those expenses. Recently I had a conversation with one of the local union reps in one of the schools in my electorate. She had seen a copy of some of my comments when I spoke on the education tax refund bill, and it concerned me a little when she said that the union had been saying exactly the same sorts of things that I had said in my speech. But I think we can agree that there is common ground when people are concerned about what is best for children and their families to make sure they have the best opportunities.

I would like to refer to another school in my electorate, the Blackmore Primary School, in Girrawheen, because this year that school will close after 25 years. I emphasise that for 25 years the staff have been assisting the children of Girrawheen, or more correctly of the western area of Girrawheen, along the path to a good education. The school is to be closed after an unfortunately irreversible decision by the former government of Western Australia and in spite of the strong support for the school from the school community and, indeed, from the wider community in that part of Girrawheen. I will speak about Blackmore Primary School because Girrawheen is a suburb that struggles with a lower than average socioeconomic standing. It is because of those challenging socioeconomic circumstances in Girrawheen that the need for education is so fundamentally important for the children who live there. Every opportunity must be given to lock children into a culture of attendance and participation. Only then will the considerable potential of the suburb be transformed over time into a reality of opportunity and great success.

The question then becomes: how is this best achieved? Undoubtedly, the attitude of parents is central to such an outcome, but close to that is the need for a child to fit in. It is important for a child to feel like a full participant in all school activities. They want to belong. This is very important to a child, and it is all the more important in areas where there is disadvantage. So I would again encourage the government to look at extending the list of expenses for which the rebate can be claimed—that is, if the improvement of educational outcomes is what the bill is all about. I am confident that the majority of children in Girrawheen and in other areas with great potential want, first and foremost,
just to fit in. I know that the final graduating class at Blackmore Primary School wishes to have graduation or leavers shirts and I know that their parents would like to have the education tax refund apply to those shirts. They would also like to have a tax break or refund that takes into account the need for their children to fully participate in all school activities. Yet under the Rudd government’s education tax reform, none of these actually count. But if a family can afford $1,000 for a computer at home they will be able to participate, or if they want to buy software that also is included. I say again that there are schools around this country where the children would prefer to fit in by just having a uniform on—for them that is a priority before the selection of software. I also say excursions, excursions and participation are more important for them than thinking about having a printer installed.

Before moving on, I will just wish the staff, parents and children of Blackmore Primary School all the best for their future. At a recent assembly I spoke to the students about how they should go out to their new schools and add value. They should be positive and take what they have gained at Blackmore to their new schools. I also take this opportunity to thank the leaders at Blackmore Primary School—Russell Hahn, the principal, and Darrilyn Dawson, the deputy—for their leadership in difficult times, always maintaining the focus on quality education. I also acknowledge Tory Clerke, a mother and strong advocate for the school, for her unwavering support for the school and the Girrawheen community. I will leave the education tax refund there and move on.

I have also spoken previously on the alternative curricula, in particular the International Baccalaureate as well as the Montessori and Steiner systems. In looking over past and recent statements by the minister on the future of these options, I would say that they are less than reassuring. As recently as Monday, 10 November, the minister was not able to state unequivocally that these options would be able to continue under the Australian Curriculum, Assessment and Reporting Authority; instead, she laid it on the authority. I would have thought it was a simple question and I think it is unbelievable that the government struggles with an unequivocal answer on the subject. I cannot believe that the government is contemplating any form of attack on alternative education systems, so why not just run with a straight answer that, yes, they will be allowed and that the authority will take steps to make sure that these systems are recognised?

A case in point and an area of concern that I think remains unanswered is the future of some of the alternative education schools. I recently visited the ALTA-1 school in Landsdale. It is a private independent school which provides education for young people aged between 15 and 19 years. The education it provides is very practical, with English, vocational maths, beliefs and values, independent living, personal development, vocational readiness and workplace learning being the subjects and the focus. The school caters specifically for young people who really know what it is like to come from a background of disadvantage. Some have disabilities, many have lived on the streets and some have been abused in the worst possible ways. The reality is that all have done it tough. The staff provide specific and personalised education. It depends on volunteers but it does not fit into the normal curricula, and ALTA-1 and schools like it need the appropriate consideration by the authority. I would also like to acknowledge the commitment of the staff at ALTA-1, led by Dave Stevens—Mark Godfrey, Karlee Abbott, Joshua Brown, Joshua Hotchkin, Kerry Stevens and Teena Jennings—and also their
dedicated volunteers, Scott Jones, Chris Abbott, Rachel Abbott and Emma Abdula.

I would next like to turn my attention to the threat of ideological bias in a national curriculum. It would be good to see a government repudiation of all things ideological in the curriculum to be developed. Clearly, selection of those involved to drive the curriculum should have been easily able to show how none of those selected had any forms of bias coming along with them. The term ‘transparency’ is appropriate, or should have been, in this matter. I say again that no evidence of bias, no history of political bias and no background of party membership or political affiliation should have been prerequisites for those entrusted with the development of a curriculum that the government wanted to be balanced and objective. Perhaps that is true. If the government really wanted a balanced and objective curriculum, then those entrusted to develop it would have met the criteria that I just described. I hope the point is not too subtle in this place.

I think that it is reasonable to assume that there are many academics across this country that could easily meet the minimum standards of balance and objectivity that I have described. There are plenty of academics with a history of writing works that are even-handed and who have a track record of encouraging their students’ inquiring minds and conducting classes or tutorials where alternative viewpoints are respected—provided, of course, that they are backed up by reasoned argument.

I know that, when speaking of the history curriculum, much has been made of the lead contributors’ allegiances and consequently a particular view of the world, such as a former member of the Communist Party who published works on Marxism and the Communist Party in Australia. I think it is fair to say that a question remains about the balance and objectivity of such a person. I therefore worry about the view of Australia’s past that will shape the future.

I will draw on a recent example of what the ABC provides as a documentary: The Howard Years. I find it very interesting because, while it provides much fact, it does not seem to delve into the reasons why a lot of the initiatives were actually required. A great example was a mention of the funding cuts in the first term. I do not recall any mention of the undisclosed previous government’s deficits. It is therefore appropriate that the national history curriculum is developed with a strong emphasis on the assessment of our history with balance and a consideration that decisions were made on the circumstances of the time rather than assessing the past from the perspective of the present.

It also goes without saying that debate should be allowed with respect being given to alternative viewpoints. I know that alternative viewpoints seem to be discouraged greatly in this place with the change of government. You only have to sit in this place for a while to know that some alternative viewpoints are not respected and are treated with great intolerance—for example, the debate on the wide and varied science of human produced climate change. That debate is constantly restricted. Those that offer alternative viewpoints are derided as sceptics or deniers, tags delivered with a sneer and a level of contempt which is pretty odd given the shortage of all but one real scientist in this place. Nevertheless, come the inquisition on this matter of religious zeal, I am not sure if it will be today’s heretics who are the ones that will be burnt at the stake.
Similarly, the extreme views about past decisions of former governments now seem to be able to be made without any balanced or opposing views being accepted. I would just briefly like to pay a tribute to one of the rare examples of balanced reporting that still remains in this country. I refer to the *Debate* magazine published by the Australian Christian Lobby under the leadership of editor David Yates. Prior to a meeting with the ACL, I had another read of *Debate* and I would say that it is a rare magazine that offers those holding opposing views the chance to be printed. For example, both sides of the euthanasia debate were covered, and I commend the Australian Christian Lobby for their balance and objectivity in this matter.

I would like to move back to the matter of bias in education, and to emphasise the point I will refer to some of the public submissions made to the Senate inquiry into academic freedom. What these comments clearly show is the need for protection of students from bias. I would like to see the national curricula offer such protections in the future.

I will read from some of these submissions. Here is the first one:

I am a year 12 student and this year we were required to study Industrial Relations.

... ... ...

Although the assessment task at the end of the term made it open for us to be for or against the topic of the new IR laws and unions—

This obviously relates to last year and the year before—

all the information that was given to us was against the Howard government, against Workchoices and encouraging anyone who works to join a union.

... ... ...

I sat there throughout this topic with the children around me in class dumbfounded and confused as to why Howard was such a ‘horrible’ prime minister and had such ‘little’ care for the average person and to me that is an incorrect motion for children to have in their minds. Yes, I totally agree that this issue does need to be taught in school, but it doesn’t need to be so biased towards one way of life, one government or one person’s ideas.

This is another one

This is my first year studying social sciences at university. I have found the constant Liberal-bashing, jokes and Labor pushing agenda threatening and frustrating.

... ... ...

In particular, during Aboriginal studies week the staff constantly highlighted that past and present Labor governments dealt with Aboriginal issues more effectively and that the Howard Government has ‘gone backwards’. I thought University was about freedom of speech, I have not found that—it can’t go on any longer. I would really like it if lecturers and tutors were neutral.

Here is another comment:

Those who influence student opinion and attitude for the purposes of their own political agendas should not be in one of our society’s most fundamental positions. Again, the trust given to teachers can be abused, by forcing radical unilateral opinions onto the nubile minds of our youth. Perhaps better work standards should be employed for educational institutions to ensure that teachers don’t turn their classrooms into re-education camps.

Here are some scans from a textbook, *Economics, Business Ethics and Law*, a textbook written by a lecturer from the School of Law at the University of Western Sydney. The language of the text, which is apparently the main source for the course, is pretty much along Marxist and socialist lines. Here is a great quote:

The capitalist ruling class want a system of laws capable of protecting their wealth and privilege and facilitating their market operations. At the same time, they want laws that in no way impinge upon or restrict their own profit maximising operations.

Here is another one:
Such ‘public order’ offences as strikes, occupations, pickets and demonstrations declared illegal by public authorities have a clearly political dimension, as direct challenges to capitalist property relations and capitalist power. Given the centrality of the social class struggle involved it is not surprising that it will probably be the more organised and class conscious elements of the working class that are mainly involved.

It would seem that a lot of this stuff is linked back to the 1920s, following the Bolshevik Revolution, but I am afraid it is very recent stuff indeed. Here is another high school experience of one of those who made a submission to the Senate:

One of my high schools (a well-established public selective high school) was a stellar example of how bias works in practice. The graduate they were most proud of was “Justice” Michael Kirby, they have “Not happy, John!” signs posted prominently at the front gate, our keynote speaker at our graduation was Gough Whitlam, and Carmel Tebbutt seemed to be a reasonably frequent visitor there in my final year. The themes of Mr Whitlam’s, Ms Tebbutt’s and Mr Kirby’s speeches were overtly political and critical of conservative view points.

They only received one side of all the arguments. I will not pursue any more of those comments.

What I would say about this matter is that the government have taken this opportunity, and they appear to have got the states onside, to create a national curriculum. That is good provided it has due respect for alternative systems. I look forward to that being clearly stated by the minister, hopefully; if not—if she does not want to say it—then by the authority in due course. The greatest concern I have is that there is a sense of balance and that the viewpoints of one side—any side, really—is the only side of the argument, whether it is political, sociological or historical, that children in our schools hear. I think that is a great tragedy if that is the case. There seems to be plenty of evidence that this is most definitely the case in universities where conservative viewpoints are derided and do not offer the same opportunity for marks as more left-wing options. But in schools in particular there are some teachers, unfortunately, that promote one side of things. Through the national curriculum I would hope that the government and the authority can deliver a balanced and bias free education.

Mr RAGUSE (Forde) (8.20 pm)—I would like to comment on the previous speaker’s comments on the Australian Curriculum, Assessment and Reporting Authority Bill 2008. It was a very impassioned speech in many ways. To allay some of his fears, I will say that, having been a former educator, the process of curriculum development is far more complex than people simply directing curriculum in a certain way. The ethics that drive professionals in academia and that particular industry are very important to the way that we as a nation and certainly those academics working in the field develop curriculum. I take on board the comments of the member for Cowan and, as I said, I would like to allay his fears.

Essentially this bill is about establishing a body to oversee the introduction of a process. So really it is a long way yet to how we as a government will establish in the longer term what we are considering will be a national curriculum. It is very good to see that this is another Rudd initiative—our election commitment to bring a national curriculum onto the table for discussion, and much of the debate is going to continue with the movement of this bill through the House. Being a former educator and the father of four children, my involvement has been at many levels. Two of my sons are now well into their 20s and are moving into the latter part of their lives and into the further training that they have taken on board. But I still
have two teenage daughters who are going through the school system in Queensland.

The wonderful thing about this approach is that it is about a national approach; it is about part of our push for a cooperative federalism model that looks at how we build efficiencies into the system. It is wonderful to see that this bill talks about the establishment of a particular body, a national authority, that will oversee the delivery of Australia’s first national curriculum. I say, as the bill states, ‘the first national curriculum’, but it is not new in terms of Labor policy and the way that we are approaching the establishment of this particular body.

As I said, as a former educator—back in the early nineties—I had a lot of involvement in the vocational education and training system. Those academics, educators and people who have been involved in the delivery of education and curriculum development will remember well, I am sure, the Hawke and Keating period, when there was an understanding that we had to standardise a number of things, and education has always been on the agenda; in fact, for Labor it has never left our agenda. Look at the introduction of the National Training System in the vocational areas; the push in 1992 to establish ANTA, the Australian National Training Authority; and the understanding that, if we were going to get our workforce engaged and trained and increase productivity, it was very important that we as a nation should not only have people who were trained well and in an efficient manner but also have recognition at the national level. We have all heard the stories—certainly I have in my lifetime and in my work in the field of vocational education—that, if you were engaging a plumber or electrician in the state of Western Australia, that same plumber or electrician would not have the ability to work in Victoria or Queensland, simply because of licensing laws. So there were two levels of bureaucracy; one was about the skills base and the skills development that people had and the other was about the licensing of those skills.

The Australian National Training Authority, which was set up by the Keating government in 1992, was based on an understanding and recognition that we needed to standardise, starting somewhere in our educational cycle. The member for Cowan was concerned about a whole range of influences, but I tell the House that, when we look at the curriculum cycle and the development of curriculum, we have a whole range of well documented processes, tried and proven, and a situational analysis is the very start of that. It is about looking at and understanding what you are trying to achieve and what the particular curriculum is trying to have as an outcome.

Many people would forget the push for, and establishment of, the Australian National Training Authority—ANTA—the National Training Board and even the Australian Qualifications Framework, which all made up a standard system in the area of vocational education and training. In fact, there were almost 12 years of the Howard government dismantling bit by bit the system that we had in place. The member for Dunkley mentioned the Mayer competencies earlier tonight. They were very much about the improvement and changes to the vocational education and training system at the time, with carryover effects into general education.

People might say: ‘What is the difference between education and training if we have a range of standards at the vocational education and training level which feed into and work inside and outside other qualification fields? Why do we need to make a distinction?’ Probably the best way of explaining it is to understand in the simplest terms what education and training may be. I will paint
this scenario: suppose you are at home as a parent, and Tom and Mary come home from school and say, ‘Mum and Dad, we’re having drug education tomorrow.’ You would say as a parent: ‘Isn’t that wonderful? Isn’t that a responsible curriculum? Isn’t it a wonderful thing for our children to understand the dangers and concerns of such a scourge in our society?’ However, if Tom and Mary come home and say, ‘Mum and Dad, we have drug training tomorrow,’ people might then have a different understanding and might not understand the difference between education and training.

My comments are about the establishment of a framework that is still well involved in this country, albeit much at the expense of the states moving forward and progressing. What was established was a range of national standards under the Australian National Training Authority and the National Training Board and through the Australian Qualifications Framework. In fact, with that framework most people would understand today as they work through their educational life that they can bring themselves up to a certain level and work towards a university qualification. I seek leave to continue my remarks later.

Leave granted.

Debate (on motion by Mr Morrison) adjourned.

NATIONAL RENTAL AFFORDABILITY SCHEME BILL 2008

Returned from the Senate

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

NATIONAL RENTAL AFFORDABILITY SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2008

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate’s amendments—

(1) Title, page 1 (line 1), after "amend", insert “the Extension of Charitable Purpose Act 2004 and”.

(2) Page 15 (after line 13), at the end of the bill, add:

Schedule 2—Amendment of the Extension of Charitable Purpose Act 2004

1 Section 3

Insert:

allocation has the same meaning as in the National Rental Affordability Scheme Act 2008.

2 Section 3

Insert:

tenant has the same meaning as in the Income Tax Assessment Act 1997.

3 Section 3

Insert:

first 2 NRAS years means:

(a) the period referred to in paragraph (a) of the definition of NRAS year in the National Rental Affordability Scheme Act 2008; and

(b) the year beginning on 1 May 2009.

4 Section 3

Insert:

incentive period has the same meaning as in the National Rental Affordability Scheme Act 2008.

5 Section 3

Insert:

National Rental Affordability Scheme has the same meaning as in the National Rental Affordability Scheme Act 2008.

6 Section 3

Insert:

rental dwelling has the same meaning as in the National Rental Affordability Scheme Act 2008.
7 Section 3

Insert:

*a taxation law* has the same meaning as in the *Income Tax Assessment Act 1997*.

8 After section 4

Insert:

4A Provision of a rental dwelling under National Rental Affordability Scheme is a charitable purpose

(1) Without limiting what constitutes a charitable purpose, *charitable purpose* includes the provision of a rental dwelling if:

(a) the rental dwelling is provided by an entity that is:

(i) endorsed as exempt from income tax by the Commissioner of Taxation under section 50-105 of the *Income Tax Assessment Act 1997*; and

(ii) an approved participant in the National Rental Affordability Scheme; and

(b) either:

(i) an allocation in relation to the rental dwelling has been made to the approved participant by the Secretary that specifies a date in the first 2 NRAS years from which the allocation will operate or is taken to have operated; or

(ii) an allocation in relation to the rental dwelling has been reserved and it is genuinely intended by the approved participant that the conditions on which the allocation has been reserved will be fulfilled in the first 2 NRAS years.

(2) To avoid doubt, the provision of the rental dwelling by the entity has effect as a charitable purpose only during the incentive period for the allocation.

(3) This section applies:

(a) for the purposes of a provision of a taxation law or any instrument made, granted or issued under a taxation law; and

(b) for the purpose of determining whether an entity that has been endorsed as exempt from income tax by the Commissioner of Taxation under section 50-105 of the *Income Tax Assessment Act 1997*, remains, for the purposes of a provision of a taxation law or any instrument made, granted or issued under a taxation law, entitled to be so endorsed.

Mr MURPHY (Lowe—Parliamentary Secretary to the Minister for Trade) (8.28 pm)—I move:

That the amendments be agreed to.

Mr MORRISON (Cook) (8.28 pm)—In relation to the amendments, I note the coalition’s support for the fact that the government has seen fit to respond to the concerns and issues raised both by the coalition and by other parties in the Senate—and also, I would note, more broadly across the social housing sector, particularly by not-for-profit organisations—that there was considerable uncertainty regarding the charitable tax status of not-for-profit organisations that were engaged in programs relating to the National Rental Affordability Scheme. I note, though, that the amendments only relate to the first 11,000 incentives provided under the scheme, which is of concern. We believe that all incentives under the scheme should be given a guarantee in order to give certainty to this scheme so that we can ensure that the scheme has a longevity beyond those first 11,000. With that said, I am happy to support the amendments.

Question agreed to.

PETITIONS

Mrs Irwin—On behalf of the Standing Committee on Petitions, and in accordance with standing order 207, I present the following petitions:
Age Pension
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
This Petition Of Certain Citizens Of Australia Draws the attention of the House to the inadequacy of the Age Pension to provide a decent standard of living for older Australians. Older Australians need sufficient income to enable them to live healthy lives as active members of their communities.
We therefore ask the House to increase the Age Pension to guarantee a decent standard of living for those whose total income is inadequate to meet today's costs of living.
by Mrs Irwin (from 193 citizens)

Environment
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
This petition of the undersigned recipients of the Ramaciotti Medal for Excellence in Biomedical Research draws to the attention of the House that biological systems on which our own life depends are fragile enough to be adversely affected by human activity.
We therefore ask the House that Australia:
1. Intensifies its efforts to decrease its own negative environmental impact.
2. Works with other nations to attain a global reduction in human reproduction and a decrease in per capita adverse environmental impact.
by Mrs Irwin (from 7 citizens)

Immigration: Asylum Seekers
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
WHEREAS the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:
"That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life; and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil & Political Rights."
WE, therefore, the individual, undersigned Attendees petition the House of Representatives in support of the above mentioned Motion. AND we, as in duty bound will ever pray &c.
by Mrs Irwin (from 20 citizens)

Iraqi Christians
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
Anti-Christian violence and threats are now on such a scale as to constitute ethnic cleansing, even attempted genocide, and a large proportion of the Christian population have now fled the country to seek refuge elsewhere.
Your petitioners therefore request the House to take serious note of the plight of Iraqi Christians, to provide aid and relief for the refugees, and to give refuge to some of them, enabling them to settle here in our country.
by Mrs Irwin (from 4,414 citizens)

Australia Post: Wanneroo Post Office
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
This petition of certain citizens of Australia draws to the attention of the House:
The need for the Wanneroo Post Office to be relocated from its current premises to the redeveloped Wanneroo Shopping Centre. The Wanneroo Post Office is currently located in old premises of a poor standard. The car parking is poor and the disabled access is poor which also makes it difficult for the aged and infirm to access the facilities. This is in sharp contrast to the modern facilities of the redeveloped Wanneroo Shopping centre, where access and parking is state of the art, and where shopping and other services create a
hub of services that meet the needs of all local residents.

We therefore ask the House to:
Initiate such actions as to ensure the immediate relocation of the Wanneroo Post Office to the redeveloped Wanneroo Shopping centre. This relocation will then enable the superior and much improved provision of services and Australia Post products for the disabled, the elderly, the infirm and all other customers who seek such services and products in one central location.

by Mrs Irwin (from 106 citizens)

Petitions received.

Responses

Mrs Irwin—Ministerial responses to petitions previously presented to the House have been received as follows:

Nursing Homes

Mrs Irwin,
Thank you for your letter of 4 September 2008 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, enclosing a petition about aged care homes operating Enterprise Bargaining Agreements for personal care assistants to receive such additional funding as is commensurate with the pay rise. Your letter has been referred to me as the Minister for Ageing.

The people working in aged care homes are an important part of the care that is provided. The presence of an appropriately skilled and motivated workforce in aged care is a key part of providing the high quality of aged care that older Australians deserve.

The Australian Government is increasing funding to the sector to enable higher quality care. Over the next four years, funding for aged and community care will reach more than $40 billion, including $28.6 billion to support residents of aged care homes. In 2008-09, Government funding for each day a resident spends in residential care will be about 8 per cent more than it was in 2007-08 for a resident of the same level of frailty.

This increased level of funding will enable care providers to deliver quality aged care which is important to the motivation and wellbeing of staff in aged care. The Government is committed to ensuring that people in aged care homes receive quality care and are treated with dignity and respect and has in place a robust accreditation system which is intended to instil a culture of continuous improvement in aged care homes.

Under the Aged Care Act 1997 aged care providers are responsible for using Government subsidies to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents. It is important to note that the Government is not responsible for determining wages and conditions for staff in the aged care sector. In general, these are agreed between employers and employees under a variety of industrial instruments.

I appreciate you writing on this matter.

from the Minister for Ageing, Mrs Elliot, to a petition presented on 1 September by Mrs Irwin (from 15 citizens)

Hyperhidrosis

Mrs Irwin,
Thank you for your letter of 4 September 2008 referring the petition recently received by the Standing Committee on Petitions, regarding access to treatment with BOTOX® (botulinum toxin type A purified neurotoxin complex) through Medicare and the Pharmaceutical Benefits Scheme (PBS).

I am sympathetic to the circumstances faced by people with hyperhidrosis.

Over 3,000 medicines are currently subsidised by the Australian Government through the PBS. Medicines are listed on the PBS on the advice of an independent, expert advisory body known as the Pharmaceutical Benefits Advisory Committee (PBAC) which is made up of doctors, other health professionals and a consumer representative. The PBAC considers applications from companies for PBS listing having regard to the medicine’s clinical effectiveness and cost-effectiveness (value-for-money) compared with other available treatments. Companies cannot be compelled to apply for PBS listing.

The Therapeutic Goods Administration (TGA) evaluates submitted data to establish the quality, safety and effectiveness of pharmaceuticals when
used as intended. BOTOX has been registered for a number of medical uses by the TGA. BOTOX is presently PBS-listed through the Botulinum Toxin Program for the following uses:

- treatment of blepharospasm (involuntary contraction of the eyelid muscles) associated with dystonia (a movement disorder), including benign blepharospasm and VIIth nerve disorders (hemifacial spasm) in patients 12 years of age and older;
- treatment of dynamic equinus foot deformity due to spasticity in ambulant paediatric cerebral palsy patients two years of age or older; and
- treatment of spasmodic torticollis (wry neck), either as monotherapy or as adjunctive therapy to current standard care.

The TGA has also registered BOTOX for the treatment of severe primary hyperhidrosis of the axillae (excessive sweatiness of the armpits). However, the PBAC has not yet considered a submission for the listing of BOTOX for this condition, and therefore is not able to recommend that the medicine be listed for this use.

Signatories to the petition may wish to contact the manufacturer of this product, Allergan Australia Pty Ltd, to establish its intentions in respect of seeking an extension of the current PBS listings of BOTOX to include the treatment of individuals with severe primary hyperhidrosis of the armpits. The contact details are as follows:

Allergan Australia Pty Ltd
77 Ridge Street
GORDON NSW 2072
Telephone: 1800 252 224 (free call)
Facsimile: (02) 9498 0290

Private prescriptions can be very costly for some patients and I understand that this is a real concern. I must advise, however, that the PBS cannot provide subsidies for medicines which are not listed in the Schedule of Pharmaceutical Benefits or when the conditions for which a medicine is subsidised through the PBS are different to the patient's condition. Exceptions cannot be made on an individual basis.

I am pleased to confirm that the Medicare Benefits Schedule (MBS) currently provides for the treatment of severe primary hyperhidrosis of the axillae through the surgical excision of axillary sweat glands or sympathectomy (removal or blockage of the nerve trunk), and injection of BOTOX. The MBS item numbers involved are 30180 and 30183 (for surgical excision), 35003 and 35006 (for sympathectomy) and 18362 (for injection).

People suffering from hyperhidrosis may be interested to know that the Government offers a 20% tax rebate on some out-of-pocket medical expenses above $1,500 in a financial year. More information on this medical expenses tax offset can be obtained by contacting the Australian Taxation Office's Personal Tax Enquiries Line on 13 28 61 or from its website at www.ato.gov.au.

I trust that the above information is of use.

from the **Minister for Health and Ageing, Ms Roxon**, to a petition presented on 1 September by **Mrs Irwin** (from 1 citizen)

**Telecommunications**

Mrs Irwin,

**Mobile phone coverage**

Thank you for your letter dated 4 September 2008 and for the opportunity to respond to the petition submitted to a recent meeting of the Standing Committee on Petitions by the Member for Barker, Mr Patrick Secker MP, concerning mobile phone coverage at Walker Flat. I apologise for the delay in replying.

The Australian Government appreciates the importance of mobile telephony to Australians. However, the decision to provide mobile phone coverage is primarily a commercial matter for mobile phone carriers. In making the decision to extend coverage to a particular area, a mobile phone carrier will consider a range of factors, including site availability, cost structures, likely levels of demand from users and overall economic viability of the service.

Telstra's online coverage maps indicate that mobile phone coverage is available throughout the Walker Flat district. However, an external antenna may be required to obtain a signal in some areas, including in the township itself. There appears to
be no coverage provided in the area by other mobile phone providers (Optus, Vodafone and Hutchinson). Telstra’s coverage maps are available online at www.telstra.com.au/mobile/networks/coverage/maps.cfm.

Telstra has advised that, within recent months, the transmission towers in the area have been revisited and some adjustment was done. Telstra also advised that they had received feedback indicating that coverage had improved.

There may be benefit in the residents of Walker Flat contacting their local Telstra Country Wide Area General Manager who may be able to advise whether there are particular reasons for a coverage problem, and steps residents might be able to take to improve reception. The Area General Manager for South Australia South is Mr Mark Bolton and he can be contacted on 1800 687 829, 08 8726 1112 or via email at southaustrali-asouth@countrywide.telstra.com.

It should be noted that it is not possible to obtain terrestrial mobile phone reception in all areas of Australia. There are a number of factors that can interfere with mobile reception and therefore affect a user’s ability to obtain or maintain a mobile phone signal at any given time or in any particular place. These factors include mountainous or hilly terrain, road cuttings, buildings, tunnels and electromagnetic energy from other sources.

The area along the Murray River around Walker Flat (including north to Punyeroo and south to Bowhill) presents some geographical challenges, in particular the cliffs and vegetation along the river and surrounding hills.

One effective way to increase coverage, particularly along country highways and in rural locations, is to use a properly installed car kit with an external antenna. The most appropriate antenna may vary between networks, and prices vary according to the quality.

An antenna’s performance depends on where it is fitted on a vehicle. To assist with maximising network performance and coverage, the antenna should be installed on the car roof. The roof provides sufficient height and stops the car from blocking the signal. These accessories can be readily obtained from mobile phone shops and dealers.

In areas that are sparsely populated or have little passing traffic, the only commercially viable option for mobile phone services is via satellite. Satellite mobile phone services cover the entire Australian landmass and population and are available from a number of providers.

Residents of the Walker Flat district may be eligible for assistance under the Government’s Satellite Phone Subsidy Scheme (the Scheme) if they are unable to access terrestrial mobile phone networks. The subsidy provides up to $1000 for eligible applicants who live in areas without terrestrial mobile coverage, and up to $700 for eligible applicants who live in areas that have coverage, but spend significant periods in non-coverage areas.

Information about the Scheme, and application forms, is available on the website of the Department of Broadband, Communications and the Digital Economy at www.dbcde.gov.au/satphone. An information kit can be obtained by contacting the Scheme administrator on freecall 1800 674 058 or via email satphone@dbcde.gov.au.

Thank you for bringing the Walker Flat petitioners’ concerns to my attention.

from the **Minister for Broadband, Communication and the Digital Economy, Senator Conroy**, to a petition presented on 4 September by **Mr Secker** (from 489 citizens)

**Climate Change**

Dear Mrs Irwin,

Thank you for your letter of 26 June 2008 to the Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett AM MP, concerning mandatory renewable energy targets. Minister Garrett has referred your letter for my consideration as the Minister for Climate Change and Water.

Renewable energy has an important role to play in helping tackle climate change. The Australian Government is committed to ensuring that 20 per cent of Australia’s electricity is supplied from renewable energy sources by 2020.

To deliver on this commitment, the Government, in consultation with the states and territories is
developing a national Renewable Energy Target (RET) scheme that will include a legislated target of 45 000 gigawatt-hours in 2020. The RET will expand on the existing Mandatory Renewable Energy Target and absorb state and territory renewable energy targets into a single national scheme.

The Government has also committed to the $500 million Renewable Energy Fund which will provide support for the large scale demonstration of new renewable energy technologies in Australia. $50 million from this fund will be used to support Australia’s emerging geothermal energy industry through a Geothermal Drilling Program and $15 million will be used for the Second Generation Biofuels Research and Development Program.

The $150 million Energy Innovation Fund will support innovation in clean energy technologies. $100 million of the Energy Innovation Fund will support research into solar thermal and solar photovoltaic technology, including the formation of an Australian Solar Institute, and $50 million will fund the Clean Energy Program to provide research and development grants for clean energy technologies.

from the Minister for Climate Change and Water, Senator Wong, to a petition presented on 26 June by Ms Safin (from 2,462 citizens)

Statements

Mrs IRWIN (Fowler) (8.31 pm)—I would like to take this opportunity to make a few brief remarks about a public hearing the Standing Committee on Petitions held in Melbourne at the end of last month. The committee met with a number of principal petitioners and discussed petitions on issues as diverse as the effects of khat on the East African community, funding for students with a disability, pension levels and the Palestinian-Israeli conflict.

I would like to draw the attention of the House to one group who appeared at that hearing: students from Avila College in Mt Waverley in Victoria. The students—Caitlyn Petrie, Hazel Titus and Alexandra Bellizia—representing the reconciliation group at that school, addressed the committee about their petition calling for Indigenous Australians to be given a greater voice in decisions that affect them. They spoke with great passion and eloquence about the plight of Indigenous students and their work within their school community to educate others about Indigenous issues. We were also very interested to hear that students from Avila go to Santa Teresa community, about 80 kilometres from Alice Springs, to work in the school and community for a week each year.

We often hear that young Australians are not engaged in the political process and feel disconnected and powerless. The efforts by groups such as the reconciliation group at Avila are a marvellous example of students identifying an issue that they believe in and becoming politically active—in this case, in organising a petition and having it presented to the parliament. I commend these students and I must say that, if these young women are any guide, the future of Australia will be in very safe hands.

Mr SIMPKINS (Cowan) (8.33 pm)—I would like to thank the chair of the Standing Committee on Petitions for giving me the opportunity to speak on the substance of the petition regarding the relocation of the Wanneroo post office. Wanneroo is in the north of the electorate of Cowan. It is in the middle of a redesign and renovation of the shopping district as part of the Wanneroo town site. Stage 1 is completed now, with Coles doing very well and a number of other shops within the new redeveloped shopping centre. The old Wanneroo shopping centre was just across a small road from the Wanneroo Australia Post office. It is not a shopfront but a post office. Unfortunately, what has happened with the redevelopment is that the post office is now across the road from a building site. It is separated quite significantly—not so much in distance but in terms of accessi-
bility—from the new shopping centre. Until such time as later stages are completed, the post office will remain isolated.

While the post office is not the only shop isolated from the main shopping centre, it is the one that a lot of people visit. Already, the problem with the Australia Post office is that access for those who are disabled or infirm is very difficult. The one disabled car spot happens to just perfectly cover the ramp that goes from the car park up to the porch in front of the post office, so it is inadequate on a number of levels. A number of local people, including some of the City of Wanneroo councillors, raised with me this matter and, as they see it, the need for the post office to be relocated inside the shopping centre. So it would be part of the new stage 1 complex and would have greater accessibility for everyone. It would be just near the very vibrant seniors’ club in Wanneroo, and for everyone else it would certainly be a win-win situation if the office decided to relocate.

The first thing I did was write to the minister. The minister made some comments about it being up to Australia Post and gave commercial reasons why it would not be moved. I made contact with and wrote to Australia Post. In fact, I wrote to the managing director. As a member of the House of Representatives I am not allowed to raise petitions, so another strong advocate for the local area, Kelly Simpkins, decided that she would raise a petition on behalf of local people. Together with the excellent work of Marcia Dinnie, the long-serving president of the Wanneroo seniors’ club, we managed to attract 106 signatures for the petition to ask Australia Post to relocate into the new shopping centre.

We were most of the way through collecting signatures when Australia Post wrote back and promised to do an update and modernise the existing premises to deal with the accessibility problems. That is somewhat reassuring but the issue of isolation still remains a major problem, particularly for the older folks. We are in the position now where the petition has been presented and the local people are waiting for the response from the minister. I hope that Australia Post delivers in full on their plans to update their existing facilities. I was hoping that they would relocate but in the end accessibility for the older folks is what really matters.

Again, I would like to pay tribute to Marcia Dinnie, who helped to get a majority of the signatures, and also to Kelly Simpkins for being the principal petitioner, and all those people in the Wanneroo area who signed the petition. It was unfortunate that an alternative petition, which was raised by one of the councillors who first raised the matter with me, took some of the signatures away. It was also unfortunate because that petition was for presentation to the City of Wanneroo. Apparently all they did was write another letter to Australia Post, so that was a bit unfortunate. Also, their petition was to the director-general of Australia Post, so I am afraid it was not all that well informed in any case. But I look forward to the minister’s response. Obviously we want the best possible solution and the best possible facilities for the people of Wanneroo, as they appropriately deserve.

COMMITTEES
Economics Committee
Report
Mr CRAIG THOMSON (Dobell) (8.39 pm)—On behalf of the Standing Committee on Economics, I present the committee’s report entitled Review of the Reserve Bank of Australia annual report 2007 (Second Report), together with the minutes of the proceedings.

Ordered that the report be made a parliamentary paper.
Mr CRAIG THOMSON—The Reserve Bank of Australia appeared before the Standing Committee on Economics at a public hearing on 8 September. Since the Reserve Bank of Australia last appeared before the committee in April 2008, there has been significant upheaval in the global economy. The change in the economic conditions between April and September provided the RBA with the evidence to cut rates. The Governor of the RBA, in his statement announcing the 2 September rate cut, noted the tighter financial conditions but said that Australia’s terms of trade were working in the opposite direction. A measure of the volatility in global financial markets is the significant downturn in conditions that occurred between the 2 September and 7 October meetings of the RBA board. The series of events that occurred during this period led the RBA board to cut the official cash rate by a hundred basis points, the largest single reduction since 1992. This was followed by a 75 basis point reduction of the official cash rate in November, taking the total cash rate reduction of 200 basis points over the three months from September. These were the first cuts in interest rates for seven years.

The economic downturn arising from the US subprime mortgage crisis and the severe financial instability that arose in September 2008 focussed the attention of governments around the world. A range of measures have been taken domestically and internationally to stabilise markets and provide financial certainty. Compared to the impact the global financial crisis is having on other advanced economies, the Australian economy and financial system are notable for their robustness. During the hearing, the governor stated:

… what we see in Australia is an order of magnitude less troubling than what we see abroad.

He went on to say:

Australian financial institutions continue to present a contrasting picture to their peers in the US, Europe and the UK.

Additionally, the International Monetary Fund in its October 2008 World economic outlook commented:

… sound fiscal positions provide scope for allowing automatic stabilisers to operate in full and for judicious use of discretionary stimulus if the outlook deteriorates further.

It is crucial during these uncertain global economic times that monetary policy and fiscal policy work together to shelter the Australian economy from the full impact of the global economic crisis. That is why this government has taken quick and decisive action, introducing a $10.4 billion Economic Security Strategy to strengthen the Australian economy and support Australian households during the global financial crisis.

During a speech in November to the Australia and Japan Economic Outlook Conference 2008, Malcolm Edey, Assistant Governor of the RBA, stated:

The fiscal package announced by the Government in October will provide a near-term stimulus of a bit under 1 per cent of GDP.

And the government fiscal package was one of contributing factors that would:

… help to cushion the effects of the much more difficult global environment in which we now find ourselves.

The May budget forecast that problems abroad would slow the Australian economy and impact on employment. The government took the tough decisions in the budget to build a strong surplus to act as a buffer in an economic slowdown. This is now providing the flexibility to respond to a deterioration in the Australian economy. The government has already taken decisive action to strengthen our economy and protect Australians, including its guarantee to Australian depositors and
wholesale funding to ensure the Australian market remains globally competitive.

During an address to the Trans-Tasman Business Circle on 21 October 2008, the Governor of the RBA, Mr Stevens, supported the government’s decision and stated:

This will ensure that Australian institutions, some of which are among the highest rated of the world’s banks, are able to retain adequate access to term funding in an environment where banks of other countries are able, in effect, to use the rating of their governments when borrowing. Steps in these directions, in the context of what other countries were doing, were sensible and the Reserve Bank supported them.

Additional liquidity has also been injected into the Australian economy by the Australian government, through the Australian Office of Financial Management. The AOFM will be investing $8 billion in residential mortgage backed securities over the next three years. In such extraordinary times, decisive action is essential and that is what this government has done, and now monetary and fiscal policy are working in tandem to help Australia confront the uncertain economic conditions.

On behalf of the committee, I would like to thank the Governor of the Reserve Bank, Mr Glenn Stevens, and other representatives of the RBA for appearing at the hearing on 8 September. The next hearing will be held on 20 February 2009, in Canberra. I would also like to take the opportunity to thank the member for Aston for his help. He was the deputy chair of the committee and is now no longer on the committee. I commend the report to the House.

(Time expired)

Mr CRAIG THOMSON (Dobell) (8.45 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.

Industry, Science and Innovation Committee Report

The DEPUTY SPEAKER (Hon. Peter Slipper)—I inform the House that the Standing Committee on Industry, Science and Innovation will not be presenting its report at this sitting. The order of precedence of remaining committee and delegation reports and private members’ business notices, as recommended by the whips and adopted by the House on 12 November 2008, remains unchanged.

Infrastructure, Transport, Regional Development and Local Government Committee Report

Ms KING (Ballarat) (8.45 pm)—On behalf of the Standing Committee on Infrastructure, Transport, Regional Development and Local Government, I present the committee’s interim report, incorporating a dissenting report, entitled Funding regional and local community infrastructure: proposals for the new Regional and Local Community Infrastructure Program, together with the minutes of proceedings and the evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Ms KING—I am pleased to table our interim report, Funding regional and local community infrastructure. This was a difficult inquiry to undertake. In making recommendations about how, to what and by whom
federal funding for local and community infrastructure is to be allocated, there are invariably vested interests and strong views held. The overwhelming picture that emerged from the evidence given through submissions and public hearings was that there was little consensus as to how the program should work, beyond recognition that Commonwealth government support should be maintained. Indeed, it has not been possible for the full committee to reach a consensus on all issues.

Local government evidence invariably said, with a few variations, that they would like the money to be given directly to them. ACCs on the whole said that a component should be given to ACCs directly to decide upon and that they should play a greater role in assisting applicants, and they also called for a greater role in assessment. State government submissions on the whole wanted a greater role in assessments and better alignment between state regional funding programs. For-profit organisations were keen that funding still be accessible by them, and community organisations were keen that funding still be accessible by them and that they not be crowded out by local government projects.

In communities around Australia the committee heard a wide range of views, and I would like to acknowledge the overwhelming level of community participation in this inquiry and thank the many organisations, governments and individuals that participated through submissions and community consultations. I also want to acknowledge the work of the ACCs, who played a very important and constructive role under the Regional Partnerships Program and provided their expertise to this inquiry.

The report signals a new approach to funding infrastructure across regional and local communities. Last week the Commonwealth announced the provision of $300 million to build local community infrastructure in all of Australia’s 565 local council areas. The government has signalled that this is the first component of the Regional and Local Community Infrastructure Program, and it reflects the need to stimulate the economy quickly. The government has also signalled that the next phase of the program will be rolled out in the next financial year, and consideration will be given to the full recommendations of this committee.

Regions across Australia deserve to have access to infrastructure funding on a fair and transparent basis, but that is not what happened under the previous Regional Partnerships Program. Despite the success of many of the Regional Partnerships projects, both a committee of the Senate and the Australian National Audit Office found serious faults in the previous government’s administration of that program. Unfortunately, this in turn tainted some project outcomes, led to questions about the transparency of the decision-making process and in some instances saw substantial amounts of funding go to projects that never actually eventuated, while some recommended projects were not funded at all. With infrastructure being so vital to a community’s wellbeing and sustainability it is important that the government gets this new program right, yet throughout Australia communities are struggling to provide the kind of infrastructure which enhances the liveability of their area and helps grow local economies.

This interim report contains some 24 recommendations which outline options for government to consider as it develops the objectives and structure of its Regional and Local Community Infrastructure Program. The interim report recommends that the new program cover all regions of Australia, employ a partnership approach and predominantly fund hard infrastructure and that local
Governments be the auspice agencies for projects that require a local government contribution. It recommends that not-for-profit organisations be able to apply for funding but that they should work with local governments to seek their support and ensure that projects fit within regional and local planning. It recommends that for-profit organisations be ineligible to apply but suggests the government look at establishing a similar fund for for-profit organisations, under the innovation and industry portfolio.

The report recommends three funding streams with different levels and closed rounds of applications. The committee is of the view that this new program should continue to utilise ministerial discretion for final decision on all applications. However, it is recommended that the government consider employing state based assessment panels with delegates from the three tiers of government and others to provide greater transparency in decision making and more comprehensive recommendations on applications to the minister and to encourage harmonisation in regional funding between all levels of government.

It was always the committee’s intention to conduct this inquiry quickly, and we hope this interim report has assisted government in its decision making. Further reflection on the committee’s terms of reference and the government’s implementation of its new program will be addressed in the final report. I want to particularly acknowledge the hard work of Dr Brian Lloyd, Susan Cardell and Michael Crawford in assisting in the conduct of this inquiry in, again, very short time frames. They have done a very good job. Commonwealth government funding of regional and local community infrastructure continues to be an important measure in the provision of long-term support for our regions. The government’s Regional Local and Community Infrastructure Program must and should contribute to this process.

**Mr Neville** (Hinkler) (8.51 pm)—It is with some regret that I dissent from my government colleagues in several parts of this report and have lodged a dissenting list of comments. It is the first time in my career in this parliament that I have dissented from a committee report. I feel that this report needed a wider scope. Members were not given the opportunity to consider the commercial development as a driver of ‘genuine regional economic development’. After all, we are talking about the department of regional development and you cannot isolate genuine regional development from this department without making the whole process farcical. To some extent last week’s $300 million spending package announced to councils at the conference of mayors in Canberra pre-empted some of the understandings of this report. Nevertheless, I believe that the recommendations of this report take away from local communities the power to determine unique and individual solutions to their own set of economic and social circumstances.

The overwhelming body of evidence from all the committee’s hearings was not critical of the work carried out by the ACCs themselves nor, for that matter, of the program itself, but more particularly of the department and its very slow processes. I personally favour a three-pronged pre-assessment process for applications under the new process, all involving greater understanding of projects: enlargement of the ACC/RDA role and strategically placing regional offices and a program of skilled field officers. And, although I was initially lukewarm to the idea of assessment panels, I would support this model on the proviso that some changes are made. I believe each RDA regional office should host an assessment panel. This would provide a more direct and tangible link with
the communities they are meant to serve, and that might mean two or three ACC or RDA divisions under that regional office.

I would also like to see assessment panels broader in membership than currently recommended. I would like to see them operate more independently from departmental influence than currently recommended and I would certainly advocate less red tape. That was the criticism at nearly every hearing I attended and, along with the chair who has just spoken—and I do stress that there is no bitterness or rancour in my dissent—I think that the evidence I saw at those hearings is not supported by the majority report.

In terms of the funding itself, I feel that there needs to be a clear recognition of the particular economic and social needs of individual regions and not a ‘one size fits all’. While we cannot craft a program that will suit every single situation, there needs to be a degree of flexibility that recognises unique circumstances ranging from long-term drought to entrenched unemployment and population drift. To this end I would recommend: three-monthly rounds of grants to $50,000; six-monthly rounds for applications seeking between $50,000 and $500,000; a rolling round of $50,000 to $2.5 million for deprived regions or declared areas within regions—and on that basis there would be a lesser measure of assessment; a rolling round of $500,000 to $7.5 million for major projects; and emergency grants in exceptional circumstances of $500,000 on ministerial direction and with a three-month application completion proviso.

This has not been the easiest inquiry I have ever participated in. I assumed the chair’s role for some time while the member for Ballarat took maternity leave. The committee travelled widely, as she has said in her report, and I acknowledge the hard work of the committee secretary, Michael Crawford, Sophia Nicolle, Peter Keele, Jazmine Rakic and Claire Young. They all did a marvellous job. They did it professionally and my disagreeing with their report does not mean that I do not acknowledge their work or the work of my colleagues. On this occasion I just felt that we were missing the point. (Time expired)

**The DEPUTY SPEAKER** (Hon. Peter Slipper)—Does the member for Ballarat wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Ms **KING** (Ballarat) (8.56 pm)—I move:

That the House take note of the report.

**The DEPUTY SPEAKER**—In accordance with standing order 39(c), the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting. Does the honourable member for Ballarat wish to move a motion to refer the matter to the Main Committee?

**Infrastructure, Transport, Regional Development and Local Government Committee**

**Report: Referral to Main Committee**

Ms **KING** (Ballarat) (8.57 pm)—I move:

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

Question agreed to.

**Treaties Committee**

**Report**

Mr **KELVIN THOMSON** (Wills) (8.57 pm)—On behalf of the Joint Standing Committee on Treaties, I present the committee’s report entitled *Report 96: Treaties Tabled on 16 September 2008*.

Ordered that the report be made a parliamentary paper.

Mr **KELVIN THOMSON**—Mr Deputy Speaker, I wish to make a brief statement in connection with the report. *Report 96 con-
tains the committee’s findings on two treaty actions tabled on 16 September this year. The committee found both treaties reviewed to be in Australia’s national interest.

The agreement with the World Intellectual Property Organisation in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty will extend an existing internationally prestigious appointment for the Australian Patent Office. The agreement is necessary for Australia to function as a competent search and examination authority for international patent applications and will eliminate unnecessary repetition and provide significant cost savings for patent applicants. In its consideration of this agreement, the committee noted that the agreement received very positive support from industry and professional organisations. In addition, becoming a signatory to the agreement would not impose any additional costs to Australia above Australia’s existing annual membership contribution to WIPO of about $750,000.

The committee was informed that, as IP Australia is the only international authority Australian patent applicants can use, there would, however, be a cost to industry if the agreement does not proceed. Therefore the committee recognises the advantages to Australian business and industry arising from the appointment of the Australian Patent Office as an international authority as well as the contribution that this appointment makes to Australia’s international standing in intellectual property fora.

The Partial Revision of the 2004 Radio Regulations, as incorporated in the International Telecommunication Union Final Acts of the World Radiocommunication Conference (WRC-07) proposes that Australia consents to be bound by the partial revision of the 2004 radio regulations, as incorporated in the final acts of the World Radiocommunication Conference. The committee recognises that this agreement would align Australia with the rest of the world in its regulation of the radiofrequency spectrum. While, under the agreement, Australia would retain its sovereign right to control transmissions within and into its territory and to protect Australian users from interference from foreign systems, the agreement makes a number of changes that impact on the international allocation and use of the radiofrequency spectrum.

Some of the key changes include: the identification of new bands for international mobile telecommunications; updating international regulations related to maritime mobile services to reflect current maritime communications technology, including distress and safety transmissions within the global maritime distress and safety system; enhancing and modernising aeronautical security and civil aviation telecommunications systems; extending the primary frequency allocations for earth-exploration satellite services, which monitor natural emissions of planets, with consequent applications such as predicting and monitoring natural disasters and meteorological and climate change; and approving proposals for the further development of satellite systems using highly inclined orbits and high-altitude platform stations as well as the compatibility and sharing between different space and terrestrial services. In addition, the WRC-07 revisions also advocate the development of spectrum management guidelines for radiocommunications in emergency and disaster relief, as well as identification and maintenance of available frequencies for use in the early stages of humanitarian assistance in the aftermath of a disaster.

There are no costs to Commonwealth, state or territory governments arising from
the proposed treaty action, and Australian industry and government representatives were consulted, and there was general support for the proposed treaty action. However, the committee did receive a submission from various Western Australian agencies that raised concerns in relation to band reallocation and the impact this would have on law enforcement agencies. The committee considers it would be prudent for the government to give further consideration to these concerns. The committee supports both agreements and has recommended that binding treaty action be taken. I conclude by extending my appreciation to the work of the secretariat of the treaties committee, including the outgoing secretary, Russell Chafer, the inquiry secretaries, Kevin Bodel, Sonya Fladun and Julia Searle, and the administrative officers, Emma Martin and Dorota Cooley, for their mighty efforts throughout the year.

PRIVATE MEMBERS’ BUSINESS

White Ribbon Day

Mr GEORGANAS (Hindmarsh) (9.02 pm)—I move:

That the House notes that:

(1) 25 November 2008 marks White Ribbon Day in Australia;

(2) in 1999, the United Nations General Assembly declared November 25 the International Day for the Elimination of Violence against Women and the White Ribbon has become the symbol for the day; and

(3) the White Ribbon Foundation of Australia aims to eliminate violence against women by promoting culture change around the issue.

Tomorrow, 25 November, marks White Ribbon Day, which is the United Nations Day for the Elimination of Violence against Women. The white ribbon campaign is led by men who are willing to take a stand and be positive role models to other men in the community. The aim of the White Ribbon Foundation of Australia is to eliminate violence against women by promoting culture change around this issue—that is, by men being role models for other men and boys. In 1991, White Ribbon Day was created by a group of Canadian men on the second anniversary of a man massacring 14 women in Montreal. They began the white ribbon campaign to urge men to speak out against violence against women. The major strategies used to achieve this are a national media campaign, education and male leadership programs aimed at men and boys around Australia. Today a number of men from all walks of life are leading the way and are uniting to become white ribbon ambassadors and to stand up and say no to violence against women.

As a white ribbon ambassador, I can tell you that it is not just women pushing the issue as victims of domestic violence; it is also men challenging society and saying that it is damaging and it is destructive. There are now over 230 ambassadors Australia-wide, including Prime Minister Kevin Rudd. The patron is Sir William Deane, former Governor-General of Australia, and the chair is Andrew O’Keefe from the Channel 7 game show Deal Or No Deal. Tomorrow, hundreds of thousands of white ribbons will be worn by men and women across Australia to demonstrate their support for the campaign. It is time for men to become involved. Unfortunately, as a community we have often turned a blind eye to what happens in our neighbourhoods, in our streets and even in our neighbours’ homes. We do not want to be seen to be interfering in other people’s affairs. But it is our responsibility as a community to do something. If we saw someone being assaulted on the street, we would call the police, and we should do the same thing if it is our next-door neighbour being assaulted, because assault is assault, regardless
of whether it is in your next-door neighbour’s home or out in the street.

In the last few decades we have heard more people speaking out about violence against women, and this is a good thing. Violence against women is a community issue. Cultural attitudes are shaped when people are young, often through the attitudes of people that they admire. Many of us would have been standing around—for example, many of us blokes—at a barbecue, when somebody has said something derogatory about women, and you may have just laughed or shrugged your shoulders. This should be the opportunity to raise the issue of why it is inappropriate. It is about men taking leadership and providing guidance about the correct way to act. Well-known male role models speaking publicly against violence is one campaign I believe will work.

We should note here that the Australian government has placed the issue of domestic violence firmly on the national agenda. On 26 May 2008, the Australian government announced the establishment of a national council that was given the responsibility of drafting a national plan to reduce violence against women and children. The formation of a national council and the development of a national plan are significant steps forward for Australia, and the Rudd government should be commended for placing this issue on the national agenda.

I know that every one of us here believes that violence against women is completely unacceptable. Worryingly, just recently a new report showed that up to half of all young people have seen or heard emotional or psychological violence used against their mothers or stepmothers. The report An assault on our future is a survey of 5,000 12- to 20-year-olds. It shows that one in four 12- to 20-year-olds has seen an act of physical violence between their parents or step-parents, with significant impact on their health and wellbeing as a result. The report also notes the violence-tolerant views of boys, with 31 per cent believing ‘it’s not a big deal to hit a girl’. One in seven thought ‘it’s OK to make a girl have sex with you if she was flirting’. These are shocking results. Nearly one in three boys—32 per cent—believes ‘most physical violence occurs because the partner provoked it’. These are attitudes that we have to change, and we in this place have a role to ensure that we change these attitudes. (Time expired)

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

Mr Dreyfus—I second the motion.

The DEPUTY SPEAKER—Are you speaking now or reserving your right to speak?

Mr Dreyfus—I am speaking now, Mr Deputy Speaker.

The DEPUTY SPEAKER—I call the honourable member for Isaacs.

Mr DREYFUS (Isaacs) (9.08 pm)—Tomorrow is the International Day for the Elimination of Violence against Women. It is a day for all of us to stand up and say that violence against women is unacceptable. Violence against women can take many forms. It can be domestic violence in the home. It can be dating violence, experienced particularly by young women. It can be sexual assault in which the perpetrator may or may not be known by the victim. It can be sexual harassment in the workplace, at sporting clubs or in schools. Regardless of the form it takes or where it takes place, violence against women is unacceptable, it is inexcusable and it is a human rights violation. Kofi Annan, former UN Secretary-General, spoke of violence against women in these terms in 1999:
Violence against women is perhaps the most shameful human rights violation. And it is perhaps the most pervasive. It knows no boundaries of geography, culture or wealth. As long as it continues, we cannot claim to be making real progress towards equality, development, and peace.

We often assume that human rights violations only occur in other countries and not here in Australia. But the fact is that one in three Australian women has suffered physical violence. We need to say loud and clear that it is unacceptable for even a single Australian woman to experience physical violence. And one in five Australian women has been the victim of sexual assault. This is equally unacceptable. In any year, half a million Australian women will experience domestic violence or sexual assault. Each one of those women is someone’s daughter, wife, sister, aunt, friend or work colleague. Each one of those women is a fellow Australian, a fellow human deserving of respect and support.

The toll of this violence on women is great. Women suffer when they feel unsafe in their homes. Women suffer when they feel unsafe on the streets. Women suffer when violence or potential violence restricts their choices, when it prevents them from doing those things that they would otherwise do. And even without direct physical attack, the fear of violence, which is felt by many women, has a major impact. According to a 2004 report by VicHealth in my home state of Victoria which dealt with the health costs of partner violence, intimate partner violence is responsible for more ill health and premature death in Victorian women aged 15 to 44 than any other risk factor, including high blood pressure, obesity and smoking. And, of course, violence against women also affects, either directly or indirectly, children who live in households in which such violence occurs.

There are no easy answers to this problem; there are no simple solutions. Eliminating violence depends on work that all of us can do—that is, working to change attitudes and emotions. This is a campaign that requires men to stand up and say no at a national level, as we are doing tonight, within our communities and as individuals. Ending violence against women means creating a culture in which such violence is unacceptable. Many have traditionally viewed violence against women as a women’s problem. In fact it is a problem for men—it is men, working with women, who are in a position to create a culture in our country in which violence is unacceptable.

I have become an ambassador for the White Ribbon Foundation. It is an association that I am proud to have, and I encourage all men to take up the challenge set by the White Ribbon Foundation, which is to challenge the attitudes that lead to violence. Tomorrow is a day for every single one of us to stand up and say that violence against women is unacceptable. But it must not end tomorrow. On every single day of the year we must say that such violence is unacceptable. We must speak out. We must not stay silent.

Mr HUNT (Flinders) (9.13 pm)—I give my full support to this motion. In particular, I note that tomorrow, 25 November 2008, marks White Ribbon Day in Australia. I also note that, as the motion outlines, in 1999 the United Nations General Assembly declared 25 November the International Day for the Elimination of Violence against Women and, as the motion sets out, the white ribbon has become the symbol for the day. I also note that the White Ribbon Foundation of Australia aims to eliminate violence against women by promoting culture change around the issue. I thank the member for Hindmarsh for bringing this motion before the House.

I want to start by mentioning Laos. I spent some time working in Cambodia and, as part
of that, I spent time in Laos. Whilst I was in Laos, a seemingly peaceful country on the surface—although we do not agree with its political system—I was quite surprised and shocked to find that Laos had, by some reports, the highest level of domestic violence in all of Asia. I met people who had suffered severe domestic violence. The reason I raise this is that, in a seemingly peaceful culture, it was an example of a deeply hidden problem. It is a problem that crosses too many cultures. It is not about that one country; it is present in Australia. I just note that what I saw there and the people I met had a deep impact on me because they were setting out the hidden crime that was occurring. Make no mistake: this is a real and significant crime.

I want to focus in two stages on the problem of violence against women. Firstly, I want to look at home, at Australia and what we need to do. We know that the direct victims are women. In all parts of our society there has been and, sadly, there continues to be the problem of violence against women. The answer can only come in one way, and that is through shining a spotlight upon this issue. It is real, it is ongoing, it is tragic and it is unacceptable.

Against that background, we need to acknowledge the secondary victims of violence against women. Sadly, in so many cases, of course, they are children. I know contemporaries of mine who have grown up in families where there has been unacceptable violence against their mothers. It is, again, a profound issue which stays with children their whole lives. In many cases, the example is replicated from generation to generation. It is a terrible situation when the violence becomes intergenerational and is passed from father to son and the victims are women on either side—the partners of the fathers and the partners of the sons, respectively. In that situation, the answer again and again is to shine a spotlight on the problem. The combination of positive education, positive role models and letting it be absolutely clear that there is no tolerance of violence and no circumstance, day, place or moment when such violence is acceptable is where we must head in Australia—zero tolerance, zero acceptance and working towards a zero outcome in terms of any future violence against women.

Secondly, I briefly want to look at the international side. Through our aid program we have done a considerable amount of work. There has been continued and bipartisan support for that. I am pleased that the current government is continuing on the work of the previous government. I know in my formal role as Parliamentary Secretary to the Minister for Foreign Affairs we were concerned, active and committed. We must continue to work as part of our aid program, firstly, by providing positive outlets for people and giving them a sense of hope, opportunities and a way forward and, secondly, by making sure that the education program about the specific problem is clear and unequivocal that nowhere, in no culture and under no circumstances is such violence acceptable. (Time expired)

Ms SAFFIN (Page) (9.18 pm)—I would like to join with my colleagues and particularly commend the honourable member for Hindmarsh for bringing this motion before the House. I support the men who founded White Ribbon Day and all the men who have joined them in speaking out and acting as role models for all men and boys. White Ribbon Day is the one day of the year when we speak out against domestic violence and its perpetrators, sadly, mostly men, and that we speak up for the victims and survivors of domestic violence, mostly women, and that we collectively reflect on what I liken to a pandemic, and that is domestic violence. It is a pandemic in Australia and in all countries.
The name sounds more innocuous than it really is and lends itself to still being seen as a private matter when in fact it is a very public matter and a crime. It is interesting to note that in South Africa the constitution recognises that women do not have to suffer domestic violence or violence in public and private spheres. Admittedly, that constitution has been framed in more modern times than our Constitution. Domestic violence is a public matter and one that has to be a matter of public policy with our attention every day, pre and post 25 November, each and every year as it is for those who are victims of it. I commend the White Ribbon Foundation, and I note that the member for Isaacs said that he has become a White Ribbon Foundation ambassador. Well done. I commend Andrew O’Keefe, Libby Lloyd and the committee for talking about domestic violence every day.

Domestic violence has a number of forms. If you have a look at Allport’s framework of oppression, from circumlocution to extermination, domestic violence takes all of these forms. There are people who are murdered as a result of being a domestic violence victim. The White Ribbon Foundation recently published a report that says one in four 12- to 20-year-old Australians surveyed were aware of domestic violence against their mums or stepmums by their fathers and stepfathers. Some commentators said they were surprised. This statistic is not a new one; it has been around for decades. But good on the White Ribbon Foundation for doing the work, publicising it and reminding us that domestic violence is still prevalent and that this is a big issue for young people, who are too often victims of domestic violence both directly and indirectly, and for focusing on violence prevention education programs for young children and young people. The White Ribbon Foundation tells us that it can work. I support their approach and also their focus.

I have had some experience in this area from working in a men’s refuge, working in a women’s refuge for over five years, being on the committee, helping establish a youth refuge and being the founding secretary of the Far North Coast Domestic Violence Liaison Committee, which continues today and does very fine work. I know very few families not affected by domestic violence. My family was affected by it, and the impact is lifelong. I know many families in many communities in many neighbourhoods who are impacted.

Put simply: attitudes have to change. Attitude problems exist in our society and, sadly, there are problems with attitudes towards women and how we are seen. If we take a historical snapshot of our legal system and go back even as far as the code of Hammurabi, it permitted violence against women—with some constraints. If we look at the Napoleonic codes, they also permitted it and said, ‘Women, like walnut trees, should be beaten every day.’ Then, if we go to Blackstone’s commentary, we find where the idea of the rule of thumb actually comes from. We all know about the rule of thumb. It says that you can beat a woman with a rod so long as the rod’s thickness does not surpass the thickness of the thumb. That is actually where the rule of thumb comes from, and it is in common expression every day. If you look at our legal history, you can see that there is an attitude that has lessened but prevails today. That is the work that the White Ribbon Foundation are focusing on, particularly with regard to young people. I know that that will have impact. (Time expired)

Mr JOHNSON (Ryan) (9.23 pm)—It is 16 years since a handful of men from Canada formed the White Ribbon Day concept. They came together following the massacre by one man of 14 women in Montreal. Thus began the white ribbon campaign to encourage, to urge, to educate and to inspire men to stop
violence against women. The White Ribbon Foundation of Australia aims to eliminate violence against women by promoting cultural change around this issue. The major strategies to achieve this are a national media campaign as well as education and leadership programs aimed at men and young boys around our country. The inspiration of 16 years ago continues today. As someone who, of course, has a mother and as a husband, a brother and an uncle to nieces I want in the Parliament of Australia to lend my name to this campaign. I want to encourage all men and all boys to be very conscious of this fact, to be very aware of this issue and to join with members of this parliament and with all men and all boys—it could be at school or at university—across Australia in the campaign against violence full stop and against violence against women.

In 1999 the United Nations General Assembly declared 25 November the International Day for the Elimination of Violence Against Women, and the white ribbon has come to symbolise that day. Today, hundreds of thousands of white ribbons are worn by men and women across Australia. They are worn by men at work, men in the Australian forces, men in national and local sporting organisations, men in the media, men in the cities and men in the bush. Men across our country are standing together to say to each other as well as to the women of our community that we will not tolerate violence towards our mothers, towards our wives, towards our sisters or towards our nieces. We will not tolerate this.

It is widely recognised that violence against women is a significant problem in our country and, indeed, in our world. The widespread violence has impacts far beyond the immediate physical, far beyond what might be a bruise or a black eye. The significance is profound. It is significant psychologically, it is significant emotionally and it is significant economically as well. One in four 12- to 20-year-old Australians surveyed was aware of domestic violence against their mums or their stepmums by their fathers or stepfathers. Children and young people are also victims of direct violence by adults. We abhor this. We reject this. We say it must stop. We must expose domestic violence in its direct and indirect forms. We must do all we can to say that as a country, as a society and as a community we will not tolerate any form of abuse against our mothers, our wives, our sisters or our nieces. We must say no to domestic violence in every form because it is simply wrong and it is simply unacceptable.

Children’s and young people’s education and later employment prospects can be harmed by domestic violence. Living with domestic violence can shape young people’s attitudes towards violence in either a positive or negative direction. Young men who have experienced domestic violence are more likely to perpetrate violence in their own relationships, although the majority do not. We must be consciously aware of this statistic. On behalf of the Ryan electorate, on behalf of all the men of the Ryan electorate in the western suburbs of Brisbane, I wish in the Parliament of Australia to say that we will do all we can to say no to violence against women. We must treasure our mothers, we must treasure our wives, we must treasure our sisters and we must treasure our nieces. They are very special people indeed.

Dr STONE (Murray) (9.28 pm)—There is an old saying that, for evil to thrive, it only requires good people to do nothing. That is particularly true for domestic violence. It happens behind closed doors fairly often. The screams and distress are too often ignored by neighbours who feel that perhaps it might be dangerous for them to intervene or that it is not really their business. When women go about with bruises, when children
go about with bruises or are neglected, the ready explanation that this person banged into the door is accepted. It is not good enough for Australia. We know that domestic violence witnessed by young children—violence against mothers and grandmothers and sisters—tends to be perpetrated on the next generation and the next, unless we do something seriously about breaking the cycle. We know that domestic violence is often associated with drug and alcohol abuse, but that is not an excuse. We know that often it is to do with young people being brought up to think it is okay. The great news is that the White Ribbon Foundation has been able to establish that there are programs and practices that can cut through the attitudes of people—particularly young men—to domestic violence. There are programs that can help young men understand that life can be different.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 9.30 pm, I propose the question:

That the House do now adjourn.

Frankston Bypass: Southern Brown Bandicoot

Mr BILLSON (Dunkley) (9.30 pm)—I am alert but not alarmed about reports of calls for tens of millions of dollars of expenditure to be added to the proposed Frankston bypass in the name of the endangered southern brown bandicoot. I am alert, because of the years of effort I and others have committed to making the case for the Frankston bypass and the need to relieve the crippling congestion that confronts Dunkley commuters, visitors, small business operators and potential investors in our community. I am not alarmed, though, as we are in the final days of local government elections in Victoria and the call by the Frankston council for this last-minute multimillion dollar addition needs to be viewed in the light of the close of voting in less than a week. Candidates naturally seek a political platform.

Fear that this additional expenditure would scuttle the project has been highlighted and elevated by Victorian Labor roads minister, Tim Pallas, who is reported to have said that the cost of building a tunnel would make the project unviable. The proposition surrounding the tunnel is that this would somehow assist the endangered southern brown bandicoot. The positioning by the state Labor government on this proposition follows: a pitch for Rudd government funding for the project; screaming *Herald-Sun* headlines that the project was a goer; backgrounding of journalists that the funding was a ‘done deal’; withdrawal from these claims as the EES had not been concluded; foot shuffling by the Rudd government as it seeks to ensure infrastructure funds are not perceived to be Labor political slush funds; and a seeming set-up by the Premier, who is ‘very disappointed’ that if insufficient federal funding were forthcoming my community would be fitted up with another toll road.

Let us be clear: the case for the bypass is compelling and the design and alignment can very adequately address the legitimate environmental considerations. It is worth noting that the EES assessment work identifies environmental benefits of reduced greenhouse emissions, recognising that congestion is a particularly significant climate change concern as combustion engines run while motor vehicles do not move.

Count me as a friend also of the southern brown bandicoot. These little critters were thought to call the area of the Pines Flora and Fauna Reserve home at some time in the past. No recorded sightings have been made in decades. Faecal matter has been identified in the area—and some have suggested this points to the existence of the bandicoot—and
the endangered status of the animal has encouraged recovery efforts in the hope that restoration of the habitat may lead to the species re-establishing itself in our community. The committed group working on the recovery effort deserve support and encouragement. Efforts to control feral cats, foxes and dogs, fencing of areas thought to be most attractive to bandicoots, protection against the impacts of adjacent residential housing and ongoing research and survey work all play a role.

My support and advocacy for the bandicoot recovery efforts led me to support calls for funding assistance and resulted in the announcement of an Envirofund grant towards the effort. The area that was the focus of this work was in the immediate vicinity of the reserve car park at the end of Excelsior Drive, Frankston North. We all engaged in this effort in the hope that the bandicoots would come back, not having seen one of the little critters for some time. During a briefing I received from SEITA about the proposed bypass, I raised the issue of the southern brown bandicoot and I was assured the elevated section of the proposed freeway would enable unimpeded movement of bandicoots or any other fauna between the long-established reserve area and the more recently added degraded area of the former Keith Turnbull Research Institute land to the east of the decades-old freeway reserve. This addition to the reserve provides opponents with the line that the proposed freeway cuts through the heart of the higher conservation value remnant vegetation, when in fact we have an area of important remnant vegetation and an area attached and added to the reserve that would benefit greatly from revegetation. My advocacy to shift the alignment of the freeway to the east, away from the remnant vegetation and the hoped-for bandicoot habitat onto an area of old orchard where pest plants and animals were tested further embraced the need to protect and look after the conservation values of the area.

I hope this recent call for a tunnel, which would jeopardise the project, is not an improvised environmental device, an IED, designed to scuttle the whole project. If there are tens of millions of dollars available to be spent, let us spend them on extending the Frankston rail line, electrifying it down to Baxter and putting a park-and-ride facility there so that commuters wishing to travel to Melbourne can join the line there or car pool to that venue and go by electrified rail service to Melbourne, with more frequent and more generous express commuter options to the Melbourne CBD. That is practical and constructive work. We are looking after the bandicoot—but if someone sees one could you please let everyone in our community know, because they certainly can see the congestion, the harm and the hardship that would be caused by not proceeding with the Frankston bypass. I encourage everybody to get involved in the EES process; it is available for public input and comment. I urge people to recognise the urgent need for the Frankston bypass. (Time expired)

Australian Council of Local Government

Ms CAMPBELL (Bass) (9.35 pm)—Last week this place hosted a historic and, it needs to be said, long overdue event. The Australian Council of Local Government began what I hope and what this government hopes is a constructive tradition of engaging with the level of government which, it could be argued, has the most influence on the lives of many Australians. Let me be upfront about this: I bring a bias to the issue of local government. In my previous life I was the deputy mayor of Launceston City Council and my view of local government is coloured and informed by this. I believe that council and municipal bodies have an incredible impact on people’s lives. As a member of the
federal government I am pleased to say that this has been acknowledged. The Minister for Infrastructure, Transport, Regional Development and Local Government has been vocal in his support for the role of local government. Minister Albanese has consistently pointed out that much of the infrastructure we use daily and often take for granted is the responsibility of local government.

There are some 650,000 kilometres of roads which are the responsibility of local government, more than 14,000 kilometres of which are in my home state of Tasmania. I mentioned that I attended the Australian Council of Local Government meeting, and so too did many of my mayors from my electorate of Bass. In fact, Launceston’s mayor, Alderman Albert van Zetten, addressed one of the morning plenary sessions. I advocated for this to happen because I believe Northern Tasmania and, in particular, councils in Northern Tasmania have much to contribute to the national agenda. I also feel it is absolutely vital that as a federal government we continue to listen to the views and needs of local governments across the country.

This is why, when community cabinet met in Launceston earlier this month, I facilitated a meeting between the mayors and general managers of councils in my electorate as well as chambers of commerce and Northern Tasmanian Development and Ministers Anthony Albanese and Lindsay Tanner. This was an opportunity for councils in particular to put their case directly to the senior ministers for funding for a variety of projects and infrastructure needs. From Flinders Island to Georgetown to Dorset and Launceston councils, the input reflected the diverse needs of Bass and indeed Northern Tasmania. I am grateful for the time given by Ministers Tanner and Albanese and also the local government representatives.

When our country’s mayors gathered in Canberra last week, the government took the opportunity to announce $300 million in funding. The Regional and Local Community Infrastructure Program is designed to boost local economies and help councils and shires to build and refresh community infrastructure. In my electorate of Bass, councils will share in around $2 million. Launceston City Council will receive $578,000. Dorset Council will receive $288,000. Flinders Island will benefit from $100,000. Georgetown Council will receive $237,000, while Meander Valley and West Tamar councils will $347,000 and $359,000 respectively.

The significance of this funding to these councils cannot be overstated. They also have the opportunity to apply for funding for strategic projects from a $50 million fund. This could be used for social and cultural infrastructure, recreational facilities, tourism infrastructure, children, youth and senior facilities, access facilities and environmental initiatives. The timetable for both the $250 million proportionally allocated funds and the second strategic fund will encourage councils to identify projects as soon as possible in order to get the funding released.

Like the government’s Economic Security Strategy and its assistance for pensioners, seniors, carers and families, this money combines the dual priorities of stimulating our economy at a time of financial upheaval and directing assistance where it is absolutely needed.

I spoke earlier of the role and impact of councils on communities and on individuals. I know from my discussions with councils, not only in Bass, that there are many areas of need for this funding in the immediate term—as well as the opportunity to apply for more. It could not have come at a better time. Like governments at all levels across the country and like businesses, charities, or-
ganisations, workers, families and individuals, councils are feeling the impact of the global financial crisis. This government understands that and this government has acted.

**Ryan Electorate: Storm Damage**

Mr JOHNSON (Ryan) (9.40 pm)—This time last week, The Gap in the Ryan electorate looked as if a bomb had been dropped on it. The evening before, Sunday, 16 November 2008, a storm hit Brisbane with incredible ferocity and violence. It was indiscriminate in its impact and its damage, and it was so extensive that perhaps no street in The Gap was untouched. Roofs were torn off homes, walls of homes were ripped apart and fences of homes were pulled down as if they were matchsticks. People who had swimming pools woke to see that they had imploded. People who have houses in Payne Road, Waterworks Road, School Road, Hilda Road, Kaloma Street, Weemala Street or Riawenna Street have never seen anything like it before.

As the federal member for Ryan, I want to take the opportunity to first of all pay tribute to the quality of the people of The Gap. Their courage, fortitude, resolve, remarkable spirit, inner strength and sense of humour in getting on with the business of cleaning up after this act of nature that destroyed so much can only be admired by all of us who were untouched by the storm.

I also want to take the opportunity to thank the Prime Minister and the federal government for providing $1,000 to each adult and $400 for each child in The Gap to contribute to the recovery from the terrible impact of the storm. This is appropriate use of taxpayers’ money. This is a sign of compassion. This is good government.

I also want to take the opportunity to thank the Leader of the Opposition, Mr Turnbull, and the Deputy Leader of the Opposition, Ms Bishop, who very kindly came to the Ryan electorate in a sign of support to me as the local member and as a sign to the people of the community that the opposition’s thoughts were with all the residents of The Gap. I especially want to say thank you to all those in the emergency services, ENERGEX and the council who gave their time in difficult and dangerous situations to try to reconnect electricity to households and to rescue people and animals.

Some of the stories of the compassion and the kindness of volunteers really are remarkable. It is a sign of the very best of our country. It is something that we should all take note of. We should have that spirit not only in times of disaster and crisis but at every time, on every day and in every year that goes by. As Australians, we can and should come together. Of course in this situation where the storm devastated homes and affected families, it is all the more significant.

I want to thank Rotary, the Salvation Army and all those community groups that came together to help from the very first hours of Monday morning. Those in The Gap deserve the salute of all Australians. Unless you have been through what they have been through, you cannot understand the emotional as well as the physical trauma of the storms on Sunday. It continued to rain throughout the week, and that continued to damage the suburb of The Gap. On Monday, I went on radio and asked for tarps because that was what was asked of me. By the end of the day, I had dozens of tarps dropped off at my office—a remarkable sign of community spirit in the Ryan electorate. I also thank companies like Domino’s, who donated boxes and boxes of pizzas to all those hundreds of people waiting to have their applications processed for the federal government assistance.

To all those who gave their time, including Red Cross, you really do deserve the
very best wishes and gratitude of those in The Gap. Again I say in the Parliament of Australia: thank you to the neighbours and young people who came out with chainsaws to cut away trees. I spent Monday, Tuesday, Wednesday and Thursday in The Gap. I thank the Attorney-General for coming on Thursday as well to show his support. This was a gesture much appreciated. All those in The Gap will never forget Sunday evening the 16th and the damage done to their beautiful suburb. (Time expired)

Blair Electorate: Post-Formal Mystery Tour

Mr NEUMANN (Blair) (9.45 pm)—End of year is a great time for young people. This last week I went to Ipswich Grammar School, Bremer State High School and West Moreton Anglican College in my electorate. It is a time for reflection and it is a time to let your hair down. But there are a lot of young people who, unfortunately, during Schoolies Week do themselves harm and who will, regrettably, drink alcohol to excess. So it is timely that the federal government has launched its binge drinking advertising campaign. I commend the Prime Minister and the Minister for Health and Ageing for what they are doing in that regard. Nineteen community projects across Australia will receive $3.6 million in the first round of grants for grassroots community work. I can announce that, fortunately, my electorate of Blair will receive $40,000 for drug and alcohol free alternatives for students to celebrate the end of year 12. Ipswich State High School and Bremer State High School will receive that money for their post-formal mystery tour.

This idea of a mystery tour is the brainchild of Tanya McKenna, who is a long-standing teacher at Ipswich State High. She is the coordinator for special programs and she is responsible for human relationships education at the school. It is interesting because the teacher at Bremer State High School who has taken up the cause and who is running with it is Cathy Ashe, who was a student 10 years ago at Ipswich State High School who enjoyed the first mystery tour. The mystery tour is a great thing to do. It has become the cool thing to do. It has gone from about one-third of the young people wanting to go on it to more than 90 per cent using this as an alternative to binge drinking after their formal.

Post-formal parties are seen as the norm for young people and most of us in this House would have been to them. But they often cause a lot of concern for parents and schools alike. So an idea of a mystery tour for the year 12 students is a great alternative. In fact, on the DVD that I witnessed at Ipswich State High School on 20 November this year with the Parliamentary Secretary to the Minister for Health and Ageing, Senator Jan McLucas, one of the students said that he enjoyed the mystery tour so much that he would like to repeat year 12 so that he could go on it next year. Even the year 8s that I spoke to at Bremer as well as at Ipswich State High School indicated that they were really looking forward to it.

The idea is to engage these young people once they have had their formal to go off and go ice skating, tenpin bowling and even to McDonald’s. I am not necessarily sure that the Minister for Health and Ageing would approve of going to McDonald’s as part of the mystery tour but they really enjoyed themselves at McDonald’s. They also went to Wet’n’Wild. They are so tired at the end of the night that they do not have time to think about drugs and alcohol. They actually get breath-tested before they go, and the young blokes who I spoke to at Ipswich State High thought that was rather cool. They get into their casual gear and off they go in their mystery tour bus. They raise funds for the mystery tour and community groups also
support them—as does the local P&C at the school. Businesses in their local area also support them. So this has got a bit of publicity in Ipswich.

This particular model of a mystery tour has gone not only to Bremer State High School but also to Redbank Plains State High School, so I commend this idea to the minister because this will act as a model for other schools. Parents in my electorate have told me that they are concerned about what happens at post-formal parties and this idea of a fun night which is drug and alcohol free with fun activities for young people is to be commended. I commend the minister for the initiative and the funding in my electorate. It has made a big difference in the lives of dozens of young people and it has really helped their families as well. I thank them very much for the funding and commend Tanya McKenna and Cathy Ashe for their involvement and their initiative.

Anaphylaxis

Mr ROBB (Goldstein) (9.49 pm)—I rise today to speak on the critically important issue of anaphylaxis management in schools and, in particular, the availability of affordable EpiPens. Anaphylaxis is the most severe form of allergic reaction, which, according to Anaphylaxis Australia, usually occurs within 20 minutes of exposure to a trigger such as milk or eggs and can rapidly become life threatening. Therefore, it must be treated as a medical emergency, requiring immediate and urgent medical attention. A crucial aspect of this is that the incidence of anaphylaxis due to peanut allergies, for example, has doubled over the past 30 years. It is becoming more prevalent and we therefore must become even more vigilant.

In July this year Mrs Sue Newton, Acting Principal of Beaumaris North Primary School in my electorate of Goldstein, copied me into a letter to the Victorian Department of Education regarding essential funding required to purchase EpiPens. Beaumaris North Primary has 515 students and currently has 19 known children who are at risk of anaphylaxis. This is significantly higher than the norm. The school has a comprehensive anaphylaxis management scheme in place, consistent with the recent Victorian government guidelines that were acted on after strong lobbying from those in the community such as Anaphylaxis Australia and the Ilhan Food Allergy Foundation. However, as Mrs Newton stated:

There are regular occasions … where current policies do not provide adequate safety for all children—not just those currently presenting as at risk of anaphylaxis.

Mrs Newton continued:

We would not be exercising our full duty of care if this group of unknown anaphylactic risks were not prepared for.

There are a number of occasions, most notably lunchtime breaks, whereby there are large distances to be covered for an EpiPen to be retrieved should an anaphylactic episode occur to a student without any pre-existing anaphylactic history. It has also been documented that two EpiPens have been required during some anaphylactic episodes.

In response to this, Beaumaris North Primary purchased four EpiPens at their own expense, outside their budget, so that their teachers could carry them on yard duty. Understandably, the school council at Beaumaris North has concerns about funding the expense to provide the EpiPens, as they require replacement on an annual basis. Beaumaris North assessed that they require six EpiPens annually, and with each generic EpiPen costing upwards of $135 it is unrealistic to expect our schools to fund this in full within already tight operating budgets.

After receiving this letter from Mrs Newton I contacted the Deputy Prime Minister
and Minister for Education, Julia Gillard, and the Parliamentary Secretary to the Minister for Health and Ageing, Senator Jan McLucas, to consider Mrs Newton’s concerns and act on them. Minister Gillard noted Beaumaris North Primary School’s approach to the Victorian Department of Education and Early Childhood Development as ‘an appropriate course of action’ given that they are ‘responsible for managing schools and bear legal responsibility for the duty of care of their students’. In other words, she washed her hands of the issue. The Victorian Department of Education and Early Childhood Development, however, told Mrs Newton that there was no funding available for such purposes and that the matter lies with the federal Department of Health and Ageing in relation to the possibility of considering EpiPens under the Pharmaceutical Benefits Scheme for such circumstances. However, Senator McLucas noted that, while EpiPens are available under the PBS for those assessed as high risk, schools are not eligible to purchase EpiPens at PBS subsidised prices. All of this represents a very unacceptable case of buck passing.

PBS-subsidised EpiPens at a rate of $31.30 or a concessional rate of $5 would significantly help schools, often on strained budgets, to be prepared. As well, there is a need for a truly national approach to training in the use of EpiPens and in their management. Nationally agreed guidelines would help to ensure that all teachers know the symptoms of anaphylaxis and are trained in the use of EpiPens in a way which satisfies health and education authorities. COAG should be the vehicle to see legislation and guidelines amended where necessary to ensure that the use of EpiPens by teachers is consistent and places safety first in clear, unambiguous terms. In circumstances where children’s lives are at stake, we must all exercise the utmost vigilance because one child’s life lost is one too many, as I am sure everyone inside and outside this House would agree.

Corio Electorate: Pako Festa

Mr MARLES (Corio) (9.54 pm)—I would like to speak tonight about one of the most remarkable events that takes place in the electorate of Corio—namely, the Pako Festa. Pako Festa is a remarkable event on a number of levels. For 27 years it has provided an opportunity for people from all cultural backgrounds to come together and celebrate the excitement of our multicultural society. It attracts the participation of around 30 cultural community groups and up to 60 community groups and a total attendance of around 100,000 people. It presents back-to-back performances over five stages, a dedicated FreeZA youth stage, a smorgasbord of cultural food, workshops, art and craft exhibitions, a host of roving street performers and a range of activities for children. The highlight of the event, the Pako Parade, presents a colourful stream of cultural and community floats, occupied by groups, schoolkids, entertainers and brass bands, that flow through a one-kilometre festival precinct along Pakington Street in Geelong West. Pako Festa is free. There is no entrance cost and no fee to watch performances; they do not even ask for a gold coin donation.

The organisation that has been hosting Pako Festa for the last 27 years deserves much of the credit for this event. Diversitat, formerly known as the Geelong Ethnic Communities Council, has been serving Geelong for over 32 years. It started as a tiny migrant resource centre in Pakington Street with just a handful of staff, and today it operates across nine sites, employs over 100 staff and has an operating budget in excess of $10 million. Diversitat plays many important roles in Geelong. Core to its business, for example, is the support and resettlement of
newly arrived refugees. It also provides multicultural aged care, training on a national level and education and employment programs for the disenfranchised youth. It runs an organic supermarket and cafe, providing opportunities for the communities and trainees, and they operate 94.7 The Pulse, Geelong's own community radio station. Through all areas of its operation, Diversitat has proven its commitment to promoting access and equity in the Geelong area.

Of course, Diversitat relies on the support of the whole community to stage the Pako Festa. It is assisted by local schools, businesses, community groups, street traders, other community organisations and a willing band of hardworking volunteers, and Geelong is much the better for all of their efforts. In addition, Diversitat has attracted funding from governments every year without exception since 1976. For the last 27 years, governments have recognised the important role the event plays in promoting multiculturalism, assisting the settlement of new arrivals and maintaining and promoting our older cultural communities.

On a national level, we know that over 22 per cent of the Australian population were born overseas, and almost 14 per cent of the population were born in a non-English-speaking country. We also know that almost 16 per cent of the population speak a language other than English at home. On a national level, we strongly support programs that assist humanitarian entrants and promote integration, participation and inclusion. We are, of course, proud to call ourselves an egalitarian and multicultural nation. When we think about multiculturalism we must think of national and global solutions but, at the same time, in thinking globally we must, of course, act locally. As Victoria’s largest multicultural festival and one of the largest nationally—indeed, one of the largest street festivals in our country—Pako Festa is a great example of this global thought in local action. Pako Festa is a great local event. It is now not only a regional institution but a national institution as well, and it deserves to be seen as such.

Question agreed to.

House adjourned at 9.59 pm

NOTICES

The following notices were given:

Ms Macklin to present a Bill for an Act to make amendments relating to the Social Security Appeals Tribunal and technical amendments, and for related purposes. (Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Miscellaneous Measures) Bill 2008).

Ms Gillard to present a Bill for an Act relating to workplace relations, and for related purposes. (Fair Work Bill 2008).

Mr Swan to present a Bill for an Act to provide for an appropriation for the Guarantee Scheme for Large Deposits and Wholesale Funding, and for related purposes. (Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Bill 2008).

Fran Bailey to present a Bill for an Act to amend the Water Act 2007 to save the Goulburn and Murray Rivers, and for related purposes. (Saving the Goulburn and Murray Rivers Bill 2008).

Mr Dreyfus to move:

That the House:

(1) notes that 2008 marks the 70th anniversary of the Evian Conference, convened by President Roosevelt 11 18 July 1938 in France, as an inter governmental meeting to discuss and formulate an adequate international response to the plight of European Jewry in need of refuge from persecution under the Nazi regime in Germany;

(2) recalls that:
(a) an estimated 6 million Jews and millions of others died during the Holocaust as a result of Nazi policies of the ‘final solution’ carried out until 1945;

(b) the Australian Minister for Trade and Customs, Lieutenant Colonel T W White stated at the Evian Conference: ‘It will no doubt be appreciated also that, as we have no real racial problems, we are not desirous of importing one by encouraging any scheme of large scale foreign migration.’; and

(c) the attitude of the Nazi Government to the response of Australia was to note how ‘astounding’ it was that foreign countries criticised Germany for their treatment of the Jews, but none of them wanted to open the doors to them when ‘the opportunity [was] offer[ed]’;

(3) notes that:

(a) the Holocaust constitutes one of the most heinous acts of genocide in history;

(b) it remains insufficiently known and acknowledged by the world community that the decisions made at the Evian Conference resulted in the abandonment of the opportunity to save the lives of millions of Jewish people who ultimately perished;

(c) Lieutenant-Colonel White’s statement on behalf of the Government of Australia is still visible at the Yad Vashem Holocaust Memorial in Jerusalem, as the single representative response for all other nations’ responses of indifference at the Evian Conference, and is viewed by thousands of tourists annually; and

(d) the 9 December 2008 marks the 60th anniversary of the signing at the United Nations of the Convention on the Prevention and Punishment of the Crime of Genocide, to which Australia was one of the first signatories;

(4) honours the memory of all those who lost their lives in the Holocaust; and

(5) calls for the Australian Government to send to the Government of Israel a statement of recognition of and regret for the decisions made by Australia at the Evian Conference in 1938, stating Australia’s present friendship with Israel, acknowledging past wrongs, remembering the 70th anniversary of the Evian Conference, and commemorating the 60th anniversary of the State of Israel, written on a plaque to be given to the Yad Vashem Holocaust Memorial in Jerusalem, with a request that the plaque be displayed.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 4.00 pm.

AGED CARE AMENDMENT (2008 MEASURES No. 2) BILL 2008

Second Reading

Debate resumed from 13 November, on motion by Mrs Elliot:

That this bill be now read a second time.

Dr JENSEN (Tangney) (4.00 pm)—After almost a year in office, the government continues to distinguish itself by the utter contempt it shows our older citizens. Dragged kicking and screaming by the opposition, flinching in the face of the financial crisis, it finally did as we had urged and made some extra funds available to pensioners. But what else has the government done to aid seniors, whose standard of living has steadily declined throughout its term in office? Government members should be hanging their heads in shame over the government’s treatment of seniors. Just last month the OECD reported that Australia has the fourth-highest poverty rate for over-65s among the world’s most developed nations. For singles aged over 65, Australia had the highest relative income poverty rate in the OECD. The Prime Minister said he could not survive on the age pension, yet he expects others to do so. The bonus payment promised last month is not going to provide any more than light relief, especially when we know the government is giving with one hand but planning to take away with the other.

There was a very disturbing report last month from the University of Western Australia’s School of Population Health which said pensioners were skipping potentially life-saving medication to save money. Pensioners’ use of essential medicines had fallen by up to 11 per cent as the price of filling their prescriptions rose to $5 early this year, one of the school’s research associates said. How much worse will things get when the government has its way next year and takes the Commonwealth seniors card from many retirees who are already struggling?

That is the government’s plan. They want to punish people who manage to put away some superannuation for their retirement by treating their super as assessable income so that they can steal the benefits of our seniors. Until now, that income from super has not formed part of the assessment for entitlement to cards which older Australians use to access a range of benefits, the most critical of which allows the purchase of medicine at highly subsidised prices. But this is what the government want to do, effective next financial year. It is a disgrace.

In my electorate of Tangney, more than 3,000 retirees sent in postcards to express their disapproval of the Rudd government after learning of this plot. More than 200 crammed into a local hall to express their rage at what they see as abuse by a government which does not care—a government which is intent on punishing seniors for reasons known only to itself. Then there is the planned change to partner service pensions. Spouses of veterans who separate from their partners are set to lose their entitlement to the pension. Those affected are all women aged over 50. The pension is paid to those who served in conflict. The government claims this will save money, but the reality is that these people, often after a lifetime of supporting their—
Ms Hall—Mr Deputy Speaker, I rise on a point of order. The member has not once referred to the actual bill—not once. He has not even mentioned the name—

The DEPUTY SPEAKER (Hon. BC Scott)—I have been listening to the contribution of the member for Tangney. He is talking about veterans, and I would have thought aged care and the entitlements they receive are correlated, but I would also remind the member for Tangney of the bill before the House, which relates to amendments to the Aged Care Act and other measures.

Dr JENSEN—Instead of receiving an entitlement in recognition of service to this nation, they will be scrounging scraps from Centrelink, receiving unemployment benefits or the age pension—

Ms Hall—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER—Would the member for Tangney accept an intervention?

Dr JENSEN—No, I will continue with my remarks. The government says that if a wife and a veteran separate then 12 months later or when—

Ms Hall—Mr Deputy Speaker, I rise on a point of order. I have before me the bill and nowhere in the bill does it talk about veterans; rather, it relates to the Aged Care (Bond Security) Act 2006 and it looks at the regulatory safeguards that are around high-quality aged care for Australians. Does he know the difference between aged care and income support?

The DEPUTY SPEAKER—The member for Shortland will not debate the issue. The member for Shortland has raised a point of order in relation to the bill which is entitled the Aged Care Amendment (2008 Measures No. 2) Bill 2008. The member for Tangney has been talking about veterans who I thought would have been obviously considered beneficiaries, in some cases, of aged care pensions. But I would remind the member for Tangney of the bill before the chamber. I also say that often there has been quite a lot of leniency by the chair in both the Main Committee and the House in relation to bills. On this occasion I would bring the member for Tangney to the bill before the chamber.

Dr JENSEN—This speech, as you correctly assert, refers to aged care and things such as pensions for elderly people. Of course, we welcome last month’s announcements of the one-off payments to be made to pensioners.

Ms Hall—Mr Deputy Speaker, I rise on a point of order. This bill refers to police checks and aged care accommodation bonds; it does not refer to pensions.

The DEPUTY SPEAKER—I remind the member for Shortland that the Aged Care Amendment (2008 Measures No. 2) Bill 2008 is a bill for an act to amend the law in relation to aged care and for related purposes. It is quite a long title. I call the member for Tangney.

Ms Hall—Mr Deputy Speaker, I rise on a point of order. I am really sorry to be so pedantic—

The DEPUTY SPEAKER—We are not going to debate the issue.

Ms Hall—The further issues are things like police checks and relate to the way in which disclosure of aged care providers—

The DEPUTY SPEAKER—The member for Shortland will resume her seat. I have ruled on that matter and I also drew the member for Tangney’s attention to the bill before the cham-

MAIN COMMITTEE
ber, but it does refer to related purposes and I think he was referring to aged care as he commenced his further contribution.

Dr JENSEN—That is entirely correct. As I was saying, of course we welcome last month’s announcements of one-off payments to be made to pensioners. We have been demanding action on that for months, but the payments should not be seen as some sort of a gift as the government seems to believe. A reasonable lifestyle with a pension that is sufficient to survive on is a right for people who grew up with the understanding that their tax contributions would be returned in part in their retirement. The fact that we have more recently moved increasingly toward self-funded retirement is irrelevant. We owe today’s pensioners much and we must provide a reasonable pension. When we have older Australians skipping medication because they cannot afford it and subsisting on jam or baked beans because a reasonable diet is beyond their reach then something is very wrong.

Ms Hall—Mr Deputy Speaker, I rise on a point of order.

The DEPUTY SPEAKER—The member for Shortland will resume his seat. The member for Shortland has not risen on a frivolous point of order, I hope.

Ms Hall—It is certainly not frivolous, Mr Deputy Speaker—absolutely not frivolous. The fact is that the member has not once even mentioned the title of the bill or any issue that relates to this piece of legislation. I ask that—

The DEPUTY SPEAKER—The member for Shortland has made her point of order. I again call the member for Shortland. I would also point out to the member for Shortland that the bill at item 3 proposes to insert after paragraph 8-3(1)(g):

(iii) the person’s record of financial management, and the methods that the person uses or used in order to ensure sound financial management …

Ms Hall interjecting—

The DEPUTY SPEAKER—No. I have ruled, and the member for Shortland has clearly got the message. He knows the bill that is before the House. I have allowed some leniency. But I have also pointed out, in relation to veterans’ entitlements, that a person’s financial management is referred to in the bill. The member for Shortney has the call.

Dr JENSEN—for the benefit of the member for Shortland, the bill is the Aged Care Amendment (2008 Measures No. 2) Bill 2008.

Ms Hall—that’s right.

Dr JENSEN—as far as the Economic Security Strategy is concerned, the coalition stood ready to offer full bipartisan support; all we asked of the government were details. Did we receive them? No. Offers of talks and discussions with the opposition, and even ideas put forward, were recklessly dismissed. The Prime Minister and the Treasurer simply decided to go it alone, not even bothering to have discussions with the Governor of the Reserve Bank. Apparently they knew better than the governor!

This failure to listen, this failure to heed advice, caused a huge mess. I refer particularly to the introduction of the unlimited bank deposit guarantee scheme. The freezing of thousands of people’s funds, a lot of whom are self-funded retirees who need that money, only added to the chaos. But this was in keeping with the repugnant disdain with which the government view the aged. Clearly, no thought went into the possible outcome of their rushed, headline-
grabbing attempt to save Australia. Their advice to those people whose funds were frozen, leaving them in hardship, was to ‘just head down to Centrelink’. What an insult. What a joke. The opposition asked for details—

**The DEPUTY SPEAKER**—Member for Tangney, you are testing my patience. I know that with most bills the issue of relevance in both this chamber and the main chamber becomes almost irrelevant from time to time, but I would like to see the member refer a little more to aged care and the provision of aged care, which are the main words in the title of the bill before the chamber.

**Dr JENSEN**—Okay. The aged-care system is also a disaster-in-waiting, and if it cannot cope with the demands of today then it will truly be in crisis as our ageing population applies more pressure in the years ahead. In my state of Western Australia and elsewhere in the country, aged-care providers are rejecting offers of federal funding because the margins have been eroded to almost nothing. See? All you needed to do was wait a little bit, until after the preamble.

**Ms Hall**—Fifteen minutes?

**Dr JENSEN**—Well, it would have been about five if it had not been for the interruptions?

**The DEPUTY SPEAKER**—Order! The member for Tangney will continue.

**Dr JENSEN**—And what has been the government response? Did they talk to industry? Did they try to work out how those funds could be used in a viable way to create new aged-care places?

**Ms Hall**—Yes.

**Dr JENSEN**—No. No. According to reports, in one case they actually referred the matter to the ACCC. So an organisation which declined to take up a flawed offer of federal funding—because to do so would have been economically unviable—is being investigated for possible trade breaches. What a joke. Presumably the minister thinks that private sector interests should be run at a loss to satisfy the government’s political whims.

Earlier this month, consultants Grant Thornton reported that the average return on investment in a single bed aged-care room was equivalent to just 1.1 per cent per annum. Average earnings before interest, taxation, depreciation and amortisation in 2008 were only $2,934 per bed, down from $3,211 a year earlier. The average cost to providers for the establishment of each bed, excluding land, has soared from between $74,000 and $85,000 in 2003 to $176,000 today. With figures like these it is easy to see why there is a reluctance to invest in aged-care facilities. Why take any risk for such a trifling return when even a bank savings account will pay more?

Financial considerations also mean that aged-care facilities are not being maintained or redeveloped appropriately. The Grant Thornton report noted that 44 per cent of the facilities are more than 20 years old and another 30 per cent are between 10 and 20 years old. Some facilities were closed after providers became insolvent, causing immeasurable stress to residents and their families. Again Grant Thornton states:

These closures are likely to become more common unless the underlying problems with current pricing and regulatory arrangements are addressed.
Those are your problems. Similarly, there is evidence that some facilities have been forced to cut back recreation activities which do so much to contribute to the quality of life of residents.

There must be incentive for private sector activity if the burden of providing aged care is not to fall on the state, which is really in no position to cope with this alone. This is the problem with the bill before us today—it offers no substantive change at all. It tweaks the edges of the issue but addresses none of the major problems afflicting the aged-care system. It is all very well to make these minor changes, but it is ultimately pointless if there are no beds available.

There are 2.8 million Australians over the age of 65. It has been estimated that about half of them require regular help, mostly in their own homes. There are 150,000 in residential aged care, which they enter at the average age of 82, and more than 100,000 of them are receiving high-level care, which is the most demanding of resources. Today there are 400,000 Australians aged over 85 and that number will increase to 1.6 million by 2047. Today there have been only 2,860 people aged over 100. By 2055 there will be 78,000. At the same time, in 2007 there were five people of working age for every person over the age of 65, but by 2047 there will be only 2.4 people. It is a recipe for disaster unless the government comes to grips with the issues today.

Major changes are needed to ensure that our aged are properly cared for. News reports say that the government is planning to provide 37,000 extra beds over the next three years. But, at the same time, 10,000 existing places have not been taken up by the industry. They do not want beds, because it is simply no longer a viable proposition. The government urgently needs to sit down with industry and work out sensible pricing and funding so that it can meet the needs of both providers and those requiring care. While the Prime Minister and his family may be lucky enough never to need such care, and are certainly lucky enough that they could afford private arrangements if they were necessary, the reality for hundreds of thousands of Australians is completely different.

Surely the minister is aware of the Productivity Commission research paper released in September which calls for action to fix the aged-care system. Perhaps I can jog her memory. It said:

The ageing of Australia’s population will call for the provision of aged care services to much larger numbers of people over the next few decades. Services will also need to meet the challenges posed by the increasing diversity of older people in terms of their care needs, preferences and affluence.

It added:

… there are concerns that current institutional arrangements, which rely on a planning mechanism in concert with aged care assessments and controls over extra service provision and pricing of services, could involve significant avoidable cost. For example, these controls in their current form combine to limit the scope for competition between providers, distort investment decision-making, restrict consumer choice and weaken incentives for innovation.

The proportion of GDP required for government spending on aged care was 0.7 per cent in 2006-07 and will almost triple to 1.9 per cent in 2046-47. Given all this, it is disturbing that today we are looking at a bill which deals only with the trivial, a bill which is mere window-dressing.

Mankind has made massive strides in improving health over the last century, consequently increasing lifespan by many years. This change in longevity and the accompanying changes in...
disease patterns will require new planning for the provision of aged care. It also highlighted other aged-care issues which need to be addressed now if the system is to be effective in the future.

Ms ANNETTE ELLIS (Canberra) (4.20 pm)—It is indeed a pleasure to stand today to address the Aged Care Amendment (2008 Measures No. 2) Bill 2008. In doing so, as the member for Tangney goes to leave the chamber—which is fair enough—I thank him for his resume about pensions but make the point that actually this is more about aged care. It is over a decade since the Aged Care Act of 1997 first became law. Since then there have been some major changes within the aged-care industry. What were once typically small scale single-site, single-service operations have now evolved to become multisite facilities operating over a number of states. Another way in which the industry has evolved is the way in which the facilities offer a broad number of different services under the one roof. The industry has developed corporate structures whereby the people operating the facility are quite often not the owners of the facility.

Australians now enjoy the second-highest life expectancy rates in the world, after the Japanese, and currently there are some 2.8 million people aged 65 years and over in this country. This is expected to rise by a further seven million people up until 2051. The number of people aged over 80 years will almost double over the next 20 years. One of the great challenges that we face is caring for our ageing population. This will require careful planning and adequate resources that include enough beds and facilities and measures that will protect our frail older Australians from harm. Our aged have contributed much to the nation and it is only right that they enjoy their later years in a dignified manner and with their needs adequately cared for.

Presently there are approximately 970 approved providers holding $6.3 billion worth of accommodation bonds—that is, money paid at the point of entry by residents going into low-care facilities. This legislation will provide further protection for 170,000 senior Australians who reside in almost 3,000 aged-care homes. The legislation strikes a balance between protecting the aged and frail and their assets while guaranteeing the long-term viability of the aged-care sector. This will ensure consumer confidence and the confidence of corporate investment in aged care.

One of the aims of this legislation is to widen the range of people who are considered to be key personnel of an approved provider. This will ensure that those pulling the financial strings can also be scrutinised if required. I do not actually call that ‘fiddling around the edges’, as the previous speaker commented. This is pretty essential accountability. The legislation will also provide a tightening of regulations regarding accommodation bonds to ensure that those bonds paid by residents in aged care are fully protected under the guarantee scheme. It will protect existing lump-sum payments held by providers in the same way as accommodation bonds are protected. New providers will be required to refund lump-sum payments they received before they became approved providers.

Changes to the hardship provisions will allow for a partial accommodation subsidy for people who are unable to pay a full bond or charge. Assets will be assessed under the Aged Care Act in the same way as they are assessed under the Social Security Act and the Veterans Entitlements Act with respect to trusts and companies. In exceptional circumstances aged-care places that are not yet operational may be transferred to another approved provider where it best meets the needs of the community.
The bill will reduce waiting times through the streamlining of assessments and a reduction in red tape. I cannot think of anything better. Where you are attempting to negotiate with a provider—because that is what you have to do—for the entry of a loved one or relative as a resident into their facility, nothing can be more frustrating, demeaning, or worrisome than going through a very convoluted and complicated assessment and entry process. Such a process appears, in many cases, to be so wrapped up in red tape that you can hardly see the words that are written in front of you. I applaud anything that makes that better.

The bill also extends police checks to cover all employees in the aged-care system in order to restrict the ability of people with serious convictions, even when supervised, from working in the sector. This will ensure that people in aged care are not exposed to people with convictions for serious offences such as physical and sexual assault and murder. Whilst this is a welcome initiative, I would also comment that proper supervision should be allowed for in the resourcing of these places because, unfortunately, there are people—albeit in the minority—who may not have such a record but who do need to have good training and supervision when working in a place as sensitive as an aged-care facility.

The bill will also improve methods of formal notification to the Department of Health and Ageing on the sad occasions when residents are reported to the police as missing. This will enable the department to assess whether appropriate action has been taken to ensure the safety and welfare of all residents. The changes to the legislation allow the department to give the most weight to whether an approved provider’s noncompliance is a threat to the health, the welfare and the interests of the aged-care recipients. The bill will also clarify what services are covered under the legislation. It is becoming more commonplace for developers to place aged-care retirement villages and disability care in the one facility or in the one area. This bill will clarify that only aged-care services are covered by the Aged Care Act.

The Australian government has a strong commitment to supporting our aged and frail community, and this has been demonstrated by the record funding that the government has made to support aged and community care. The government will provide more than $40 billion over the next four years to aged and community care, and more than $28.6 billion of this will be for nursing homes and hostels. This bill will complement this funding by providing a better quality of care for older Australians whilst providing a better regulatory framework that both reflects the evolution of the aged-care industry and makes it more streamlined and more efficient.

In my concluding comments I would like to reflect on—whilst not overstating their importance—some of the comments that have been made earlier in the debate. I think it was the member for Tangney who used words to the effect that the aged-care system is a disaster waiting to happen. We have been in government for a year now, and there is no doubt that we have been doing a lot in the area of aged care. A massive amount of legislative change occurred under the previous government. It undertook a multimillion-dollar review of aged care, called the Hogan review. The Hogan review was a very broad, very large, very long, very extensive and very expensive holistic review of aged care. If my memory serves me correctly, the Hogan review came up with a very long list—a raft—of recommendations of one sort or another for aged care. Some of us would have objected to some of those recommendations, and some of us would have and applauded them. But the government that undertook the Hogan review
did not, in fact, take up a great many of its recommendations, many of which concerned questions of finance.

I am not, for one moment, wanting to give the impression that I may have agreed with the financial aspects of Hogan either, but members of the previous government cannot now come into a debate like this one on an aged care amendment bill and say that all of the blame for any disastrous impact that they are predicting is going to occur in the aged-care sector in this country is now entirely sitting in front of us. They can not say that we have to take the blame for any such impact when an enormous amount of work and money was expended by the previous government in looking into aged care, primarily through the Hogan review but through other tools as well. The aged-care sector, people with relatives living in the aged-care sector, and the community at large put great emotional, and other, investment into a hope that something really thorough, extensive and good would have come from Hogan.

I think it is only fair that if Hogan did not work then the previous government should say so; if it did work then the previous government need to explain why they did not take up all of Hogan’s recommendations. As I said a moment ago, I am not for one moment suggesting that I would agree with a lot of them either, but it was not my review; it was the review of the previous government.

In closing, I want to say that, in my humble opinion, the most important area of social policy and community concern in this country, along with looking after children, has to be our care of, our concern for and the services that we endorse and supply to the older members of our community. Nothing could be more important. I know that I am not on my own when I say that I have family connections in relation to the receipt of aged care. One thing that the community of this country really needs to feel extremely confident in is that, when you are in a position where you do not have any choice but to engage in aged-care facility care, or, for that matter, aged-care in-home care, all of the steps that can be taken are being taken to ensure good, regulated and properly supervised care. You need to know that, when you entrust your loved one to that system, you are doing it with all of those feelings of confidence and security. Any bill that comes before this House that is, in any part at all, working to ensure those sorts of services and assurances must be applauded, must be agreed to and must go ahead in a positive way. I am really pleased to have the opportunity to speak on this bill today and I am very certain that the steps that this bill covers will go some way to ensuring the sort of service delivery that I am talking about.

Mr MORRISON (Cook) (4.31 pm)—I am sure that no-one here would doubt the intentions or motivations of others in this place about the purposes of reforms that are brought in terms of aged care. I think we all want the best for the older Australians who have served our country well and in all of our electorates we would be aware of countless great Australians who, now in their advancing years, are in the position where they are required to be in forms of care. It is the intention of all of us that that care be as great, as significant and as compassionate as possible.

A division having been called in the House of Representatives—

Sitting suspended from 4.32 pm to 4.50 pm

Mr MORRISON—In resuming, I note again the earnest intention of all members of this House to seek to provide support for those older Australians in our care. But one of the things
I would also note today, on the anniversary of the election of the Rudd government, is that you need to deal with the issues that are in front of you. What we have in the Aged Care Amendment (2008 Measures No. 2) Bill 2008 are some very marginal measures, I think. There are some big challenges in the area of aged care, and those challenges relate fundamentally, of course, to the issue of capital investment and the provision of facilities that meet changing needs. This bill deals with increased regulation. I do not wish to diminish the issues that the increased regulation seeks to address, but nonetheless I think it is very important for us to be very mindful of the fact that, if we are to provide for an increasingly ageing population, it really must be all hands to the wheel. It really must be about ensuring that the private sector, the not-for-profit sector and the government sector all work together to bring increased resources to bear. Where that cannot be done directly by the public sector, we need to ensure that we have an arrangement in aged care that enables the not-for-profit sector and the private sector to work together constructively.

The Howard government was elected in 1996 and began its reforms to aged care in 1997 with the new Aged Care Act. It dealt with many issues and aged-care principles: it introduced a unified residential care and payment system, it introduced a national quality assurance framework for residential aged care and it combined accreditation, certification and the Aged Care Complaints Investigation Scheme, to name just a few of the initiatives brought in by the Howard government. Now that the Rudd government has been in office for a year, I would have expected, after having looked intently at this area for the past year, that we would have seen more than we are seeing in this bill.

This bill reflects the changing nature of the aged-care sector, as was held out by the Minister for Ageing. In her second reading speech, she stated:

… a different model of aged care has emerged, one in which the owner and operator of a facility have distinct roles and responsibilities and may function quite separately.

Despite these changes, she said:

The regulatory framework has not kept pace with this shift in business practice.

She went on to say that it is also understood that the current regulations provide ‘limited capacity for the Department of Health and Ageing to consider the record of “related entities” when making decisions about approvals’ under the Aged Care Act. The minister said that this ‘limits the ability of the department to make an informed assessment of a company’s record in service delivery and its suitability to be approved to deliver care’, and that it is expected that the changes outlined in the bill will hold ‘large aged-care providers as accountable as smaller ones’.

When we think about who is going to be making these decisions and making the judgements about all these things, we need to reflect on something that Malcolm Turnbull, the Leader of the Opposition, said today at the National Press Club, when he talked about the difference between the coalition’s approach to policy and the approach of the government. It is very much the view of those on this side of the House that it is the objective of government to enable all Australians out there to deliver the things that they can deliver to make Australia a better place—to let them be empowered to go forward, make decisions, make investments, work in this sector and do all the things that are necessary. This is different from the view of the government, which will tell you what needs to be done.
In this bill we run the risk of going down that path. It really is looking to increase regulation in a sector where too much regulation, too much oversight, too much compliance and too much filling in of forms runs the risk of making what is already a very marginal investment even more marginal. We know what happens when investments become too marginal: they become nonexistent. In the current climate, we have a global credit crisis and access to finance is difficult enough as it is. We have the challenge being faced by aged-care providers, who, in order to get new facilities established, must rely on people who are looking to move into care to sell their current homes before doing so. So there are already an enormous number of constraints and pressures on the viability of this industry. While this bill may look at specific individual regulatory changes at the margin and increasing the regulatory burden—and I grant that in some cases that may be warranted—we also must be mindful that doing so may put the broader aged-care system under a great deal of strain.

The bill also proposes the changes to further protect accommodation bonds that are held on behalf of residents. This scheme was put in place by the coalition government in 2005 to strengthen the protection surrounding accommodation bonds through the introduction of new prudential regulatory arrangements. The scheme guarantees the repayment of bond balances if a provider becomes insolvent or bankrupt. The minister has said that experience has shown some areas where the protection for residents could be strengthened. This bill addresses these issues to ensure that accommodation bonds are fully protected under the guarantee scheme.

The changes made by the previous government establish a guarantee scheme where the Australian government would pay 100 per cent of the bond balance owed to residents should an aged-care provider become insolvent or bankrupt and unable to meet its financial obligations to residents. The scheme also enables the government to become a creditor of the insolvent provider to recover debt-associated costs. The government also has the ability to levy other providers holding bonds to recover debts left by the defaulting provider from the wider industry.

I have a particular interest in these issues because of the ageing of the population, particularly in my own electorate of Cook in Sydney’s Sutherland shire, where there are approximately 34,200 persons aged 55 and over, according to the last census. Although the proportion of Sutherland shire’s residents aged between 60 and 69 is 8.3 per cent, there are a number of very discrete suburbs in my electorate where it is far higher: Kareela is 15.7 per cent, Sylvania Waters and Taren Point are 11.7 per cent, and Sylvania and Kangaroo Point are at 11½ per cent. Whereas the 70 to 84 age group makes up 8.1 per cent of the total Sutherland shire population, it is much higher for four suburbs in my electorate: again, over 10 per cent in Caringbah, Yowie Bay, Miranda and Caringbah South. An undeniable fact is that the population of the Sutherland shire is getting older. Statistics released by Sutherland Shire Council indicate that, between the 2001 census and 2006 census, the only four age groups to increase in size were between 50 and 59, 60 and 69, 70 and 84 and those aged 85 and over. All other age brackets fell in terms of their size. The 55 to 64 age group increased by 17.3 per cent between 2000 and 2006, although the 65-plus age group also increased by 8.4 per cent in the same period.

Not only is the population of the Sutherland shire getting older; the older age groups are making up a larger proportion of the total population. In its long-term plan, Sutherland Shire Council has identified that by 2020 about 40 per cent of the shire’s population will be aged

MAIN COMMITTEE
over 55 years. In response to this data, Sutherland Shire Council has commenced the process of preparing a comprehensive strategy to meet the needs of the Sutherland shire’s ageing population. Indeed, prior to the last election, one of the key issues I put to my community going to the election was working together with the council and with all others who wished, particularly in the private and not-for-profit sector, to develop a long-term plan for the ageing of the population in the Sutherland shire. This is a very significant issue for our community.

The biggest issue that we face in our community is not the regulation, and it is not the issues that are addressed in this bill. It is the sheer, urgent need to find further accommodation for people who need it in our community. Our community is a very tight community. Many people in our community, particularly our older Australians, came to the shire after the Second World War. Many of them are veterans and they made our community what it is today. The idea that, by having to go into some form of care they would have to leave this community and go outside this community and live somewhere else—cut off from their community ties and cut off from where their families, their grandchildren and others are being raised—is a matter of extreme concern to them and a matter of extreme concern to me.

In order to deal with these issues we must do something about the development of aged accommodation in the Sutherland shire. That requires some urgent action at a planning and council level and it also requires this government, having come to government, to deal with the challenges of government—that is, to look at the issues of capital needs and the return on capital for investment in the aged-care sector. This is the challenge they need to face. These are the challenges you face when you come to government. It is not all smooth sailing. You cannot just come in and announce a whole range of things that do not cost any money. The surplus is being spent on a daily basis, which is why the decisions we make on how the surplus is spent are so important. You can only spend it once. Once it is spent, it is gone. We are very keen to ensure that, as we move forward, older Australians are not ignored in the process of how we invest that all-important surplus.

I will make some comments specifically about the New South Wales planning laws—in the context of this bill, Mr Deputy Speaker, aware of the concerns of those opposite that we might roam and not be very focused on the bill. The reason I raise the New South Wales laws is that they are critical to the issue of ensuring that we address the need to get investment in aged-care accommodation. By way of background, planning for aged care in New South Wales has been the responsibility of the New South Wales Department of Planning. The department established a set of standard planning controls applying to the aged-care sector known as SEPP, the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004. The planning controls for aged care fell within the provisions of SEPP No. 5, which was gazetted in 1982. In 2004, Minister Knowles commenced a review of the planning controls applying to aged persons. The review was necessary to deal with community concerns that housing for older persons was being abused, with dwellings being occupied by younger persons as a way of getting around height restrictions under other planning laws.

The New South Wales government made significant changes to SEPP 5, and a new policy called SEPP Seniors Living was introduced in May 2004. This was a blanket policy applying across the state; however, councils could seek exemptions from the policy if they could demonstrate that local policies adequately provided for the supply of housing for seniors. The main aspects of the state government policy were to set aside local policies that would prevent
the development of housing for older Australians, to set design principles that would be followed to respond to the characteristics of a site, and to ensure that appropriate support services were provided in aged-care facilities. A major policy revision was gazetted in September 2007 which saw the requirement of a site compatibility certificate introduced. These certificates were obtained from the Department of Planning and were intended to avoid situations where aged-care developments were being proposed on flood-prone or bushfire-affected land. They were an acknowledgement that these types of developments were, ideally, not located in hazardous sites affected by bushfire or flooding.

Another recent change was the introduction of what became known as vertical villages. A vertical village is aged care that is provided in a multi-storey building. The policy allows the development of a vertical village on sites where apartment buildings are ordinarily permitted. These developments would provide high-rise aged care in areas located in close proximity to community services such as shops and health facilities. A requirement of these types of developments is that they provide on-site support services.

I stop here to mention that in virtually all of our communities around Australia, particularly in the suburbs, there is a real reluctance to engage in developments of high-rise buildings. It is often said that what prevents that is the NIMBY syndrome, but the point I would make about that is simply that such communities have a justifiable concern: they are reluctant to allow high-rise developments in our suburbs because they know, based on experience, particularly in my home state, that the infrastructure that is needed to support a large population is not being provided. It is absolutely essential that we develop a greater willingness and acceptance of the need to provide these types of aged-care facilities around the country, but to do that we have to understand the links between allowing a taller building to go up in a particular place and having community support for that, and the failure to deliver infrastructure—particularly in Sydney, I would stress—across suburban areas which makes communities reluctant to accept that type of development. So we need to continue to have planning policies that are very friendly to the development of aged-care accommodation as a priority.

This also goes to people who have a disability and who have been looked after for many years by older carers. As they get older and their carers, sadly, pass away, they need to move into accommodation, and it is much better for them to move into that accommodation when they are in their 50s rather than in their 60s, and before the terrible day comes when their carer actually passes away.

All those types of housing—and we are talking about housing—are necessary to support our older population so that they can enjoy quality of life in their retirement years. We need to get the planning rules right, we need to get community acceptance and, most importantly, I think, we need to get a much closer relationship in the investment sector between the not-for-profit entities and the private entities.

I would commend to the government the idea of looking through the tax treatment of aged-care accommodation. I would refer them, as I have referred the Minister for Housing in relation to the National Rental Affordability Scheme, to look more closely at what happens in the United States regarding the provision of tax credits, which provides a very useful way—handed out by state entities, but in our case it could be done by local government entities—of being able to sit in a room with those seeking to develop aged-care accommodation and deal
with the financial incentives, concomitant with planning incentives and site availability, to ensure we get the accommodation where it needs to be.

The return on capital is something that we cannot ignore if we are to expect anyone other than the public sector to be involved in providing aged care in our community. It is as fundamental to getting the situation right as any aspect of regulation. There is an important role for regulation, but we must ensure there is a return on capital. It is a wise policy to encourage older Australians to remain in their homes and communities for as long as possible, but we must remember it is the case that, when the day comes for an older Australian and their partner—or without their partner—to go into care, their level of need is likely to be higher. When that level of need is higher, so are the costs. It is not just the recurrent costs but the capital costs of providing for that care. So, if we look at that, we also need to understand that at the end of the day that is going to place further strain on the investment in and financial viability of those projects when they ultimately go to market.

The point I am trying to make is that, in order to deal with the challenges of ageing, it will not be solved by one bill. I am disappointed that the bill has only dealt with some very low-order issues, some very marginal issues, after 12 months. This is the grand reform plan. There are obviously many more issues that need to be dealt with, but I would encourage the government, as they move forward with an aged-care program, to actually think outside the areas of their own investment and their own regulation. It is incumbent upon a federal government to actually look at what is happening in the community and engage that community in delivering a solution, not seek to be the answer to all questions. The answer is at a state level. It is a local-level issue, very much at a community level. There is a big role to play in understanding the future needs of older Australians in these forms of accommodation.

The other point I would make in my capacity as shadow minister for housing is that it is also absolutely vital that we get this right, because, as our household size continues to contract, further pressure will be put on the availability of housing for younger Australians. If we can make it attractive for older Australians to move into new forms of accommodation, it will free up housing stock right across our suburbs for the rest of the community. Household size is already projected to decline and we need to ensure that we address that in the future to ensure there is housing affordability for all Australians. A way to do that is by providing for a seamless transfer, an attractive transfer, for older Australians to move from their existing accommodation to new accommodation, where they will have the respect that they deserve and have earned and a comfort and quality of life that goes along with that.

Ms HALL (Shortland) (5.08 pm)—I will start my contribution on the Aged Care Amendment (2008 Measures No. 2) Bill 2008 by saying that there could not be a greater contrast between the member for Cook’s contribution and the member for Tangney’s contribution to this debate. Whilst the member for Cook did not concentrate exclusively on issues that are included in this legislation, he did give a really good summary of aged care and the issues that confront governments when they are considering aged care.

Firstly I need to put on the record that the responsibility for aged care rests largely with the Commonwealth government. State governments have only a very minor role to play in aged care—that is, building, planning and design, occupational health and safety, food preparation and consumer protection. They are very minor roles. Issues surrounding planning go across both levels of government. As we age, as a community there are many issues that we need to
look at in housing for older people. One element of that is included in the legislation before us today: aged-care facilities.

The Aged Care Amendment (2008 Measures No. 2) Bill 2008 puts in place some of the reforms that were earmarked by the Minister for Ageing in her announcement on 22 March 2008 and are part of the Better Protection for Frail Aged Australians reform package that the Rudd government is putting in place. This is part of it; it is not the whole of it. Members of the opposition had 12 years in government to get aged care right. Unfortunately, I would have to give them an F for their efforts in this area.

I have had a longstanding interest in aged care. Some of the most vulnerable people in our society are cared for in aged-care accommodation. The people who live in our high-care and low-care facilities really depend on the government to get it right. If we do not get it right then these vulnerable people are placed at risk. Within my electorate there are some fantastic aged-care providers. In fact, my husband works in the aged-care industry. I know how committed all the providers are to ensuring that their residents have the quality aged care that they deserve.

This bill addresses some inadequacies and maintains effective regulatory safeguards for ensuring high-quality care for the older Australians I am talking about—those frail older people who need to move from their home or from some innovative form of aged care like the previous speaker, the member for Cook, talked about. This bill links approved provider status to the allocation of aged-care places—it directly links that to Commonwealth funding. The bill modernises the current legislation so that it is better aligned with contemporary business practice and applies to all approved providers, regardless of their corporate status. That means that the same rules apply to everyone. It streamlines the assessment of frail older Australians to ensure more timely, consistent and quality assessments. It ensures that any accommodation bonds or like payments by frail older Australians for entry into aged-care services are fully protected under the accommodation guarantee scheme. It makes some minor operational changes to improve the administration of the legislation so it operates more effectively.

I want to touch on some of the elements I have already mentioned. Firstly, I would like to bring to the attention of the House the fact that currently when it comes to aged-care assessments sometimes people wait for a long time to gain entry to aged-care facilities. Within the Shortland electorate the number of people waiting for accommodation has diminished over the last year, but for a very long time people have had to wait an inordinate amount of time to gain entry to either low-care or high-care facilities or aged-care packages.

I will share with the parliament one example. An elderly resident had been waiting for an aged-care package. She had been assessed by an aged-care assessment team. She waited in excess of 12 months to obtain this package. Her assessment ran out and she was left languishing. It was only when my office intervened that we could arrange for another assessment to take place. She had the assessment, which found that within that 18-month period she had gone from needing an aged-care package to actually needing to find accommodation in a high-care aged-care facility.

I think it is imperative that people do have an appropriate ACAT assessment, that they are not subjected to constant ACAT assessments and that they are placed in facilities in a timely manner. That is something that we on this side of the parliament put at the forefront of our aged-care policy: ensuring that people who need the care provided by an aged-care facility...
can actually obtain that care—and, as I have already said, that has improved considerably over the last 12 months—and ensuring that, once they have obtained that care, they have the proper protections in place.

Over the years the aged-care industry has changed somewhat. Currently, as I think the member for Cook pointed out, older Australians make up 13.4 per cent of the population—that is, 2.8 million or one in seven Australians over the age of 65. By 2050 the Productivity Commission estimates that one in four Australians will be over the age of 65. Shortland electorate is actually ranked the 10th or 11th oldest electorate in Australia and the figure for people over the age of 65 is 18.3 per cent. So I am sure the House can understand my concern in relation to aged care and ensuring that we have quality aged care for all those people who I represent in this parliament. That can best be ensured by making absolutely certain that the legislation that is in place is quality legislation that will ensure the provision of quality aged care.

In 2007 there were around 2,872 residential aged-care providers in Australia. Of these, approximately 61.4 per cent were private not-for-profit, 26.9 per cent were private for-profit and the remaining were government providers. That 26.9 per cent of providers will be made more accountable under this legislation. The setting in 2008 is significantly different to that in 1997, when the original legislation went through the parliament. The industry has matured somewhat and there have been significant changes. The sector has evolved from one-site operators, where you had a private aged-care provider who was operating on one site—it was a cottage industry type approach to aged care—to where there are now multiple services operating from the one site and corporations operating multisite aged-care facilities. As such, the operations have become much more complex from a financial and legal perspective.

This bill before us addresses current legislative inadequacies and maintains effective regulatory safeguards for ensuring high-quality aged care for older Australians. As I mentioned, the change and the developments that have taken place need to be reflected in legislation. This different model of aged care that has emerged is one in which the owner operator, as I have pointed out, quite often has a distinctive role—the owner is not the person on-site operating the facility. So they are very different functions. The regulatory framework has not kept pace with this shift in business practices and there is often a lack of consistency between the regulations and contemporary business practice, which means that regulations have not been applied equally to all providers regardless of their corporate structure.

The shortcomings of the existing framework are varied and they impact upon care providers, care recipients and the broader community. Let us talk about care recipients. They are those frail, older Australians who need to live in one of our aged-care facilities. In moving to those aged-care facilities they need to be sure that the care they receive is of a kind that ensures a good—or as good as possible—quality of life. Once a person lives in an aged-care facility it becomes their home, and that really means that we have to make sure that their life in that home is one such as we would like for our own mothers and fathers. Under the current regulations, there is limited capacity for the Department of Health and Ageing to consider the record of related entities which make decisions about approvals. This unnecessarily and inappropriately limits the ability of the department to make an informed assessment of a company’s records in service delivery and to determine its suitability to be approved to deliver care in the future.
I think this is a very important point. The department must know about the company’s record in service delivery. Unless it has that knowledge it cannot know that the company is suitable to deliver care in the future. Having such knowledge provides better protection for residents and promotes public confidence. Public confidence in the aged-care industry under the last government was, I think, lacking. I quite often had constituents come and raise with me the fact that they did not have that confidence. We need to know who is pulling the financial strings, and that knowledge is not currently available. For the purpose of regulatory scrutiny, we need to know who those key personnel are. This legislation will ensure that that takes place.

At this point I need to emphasise that there are many quality aged-care providers who are accountable. The department does know the makeup of their board and their financial position. I truly believe that that should apply to all operators, and this legislation will ensure that this happens. Increasingly, developers are putting aged-care retirement villages and sometimes disability or step down care all in the same development, giving rise to uncertainty relating to the regulation under the act. We need to ensure that we have maximum knowledge about what is taking place in aged-care facilities, how they all connect and who the key personnel involved in any particular aged-care facilities are.

The other issue that is covered in this legislation relates to accommodation bonds—ensuring that the bonds of people who enter an aged-care facility are fully protected under the aged-care Accommodation Bond Guarantee Scheme and that residents of similar accommodation facilities are accorded protection. Experiences since the introduction of the guarantee scheme in 2006 have highlighted that there are areas where this protection could be stronger. We on this side of the House take our responsibility in that area very seriously.

The aged-care industry involves a number of different people. There are the aged-care providers, there are the workers in the aged-care industry and, of course, there are the people who live in aged-care facilities. The Rudd government believe that we have a responsibility to all those people. We have a responsibility to ensure that we have quality providers—that it is an industry that attracts the right type of provider: people who are prepared to invest in the infrastructure that is needed, in quality staff to work in the industry and in training those quality staff. We also recognise that it is very important to ensure that there are adequate numbers of staff in the industry and that those staff are properly trained and remunerated. And, of course, we need to ensure that the frail aged who enter our aged-care facilities are properly cared for.

The Rudd government will work closely with all the people from all the sectors that are involved in aged care. We will work closely with the providers of aged care, the workers in the aged-care industry and aged-care facility residents and their families. I want to emphasise ‘and their families’ because it is imperative that, if you have a loved one living in an aged-care facility, you have confidence in that aged-care facility. So we make a commitment to the Australian people that they can have that confidence about everyone involved in aged care. This is one of the reforms that have been made that were promised on 22 March 2008. Along with that comes a strengthening of existing police check requirements for people working in the aged-care industry. That is another aspect of ensuring, once again, that people can have confidence in the staff and the aged-care facilities.
Under the previous government we had the Hogan review. Very little came out of the Hogan review. We are more about action and ensuring that we have a viable aged-care sector in Australia. *(Time expired)*

Mr LINDSAY (Herbert) (5.28 pm)—For all of the years I have known the member for Shortland, I have known her to be a very decent and caring person. When she says that she has great empathy for people who need the services of the aged-care industry, she means it. She does; she has got a heart of gold. But I am not so certain that the Rudd government has that same heart of gold. A case could easily be made that, since winning government, Labor has ignored older Australians; you can easily demonstrate that. You can easily demonstrate that the current government is in denial about the serious state the industry is in.

Over the years there has always been a tremendous shortage of aged-care places, but in some areas of Australia those places are now undersubscribed. Bed licences are being handed back. Providers do not want them anymore. That is of serious concern because in other places in Australia there remains quite a shortage of bed licences, and I am going to refer particularly to Townsville in this contribution in the parliament this afternoon.

When the former government were defeated a year ago, we left a world-class health system to the Rudd government. Over the four terms during which I was a member of the Howard government, from 1996, we addressed the hard issues. Some of the time it was just so difficult getting through those issues in aged care. It is like the health system—there is never enough money. But we did leave a very robust and well-performing system, because we delivered wide-ranging reforms that resulted in high-quality, affordable and assessable aged care that met the needs and preferences of older Australians. Of course, part of our policy was to try to provide in-home care—that is, caring for the person in their home rather than sending them off to an aged-care facility. That began in 1997 with the Aged Care Act 1997. We went from there, and at the end of the Howard government’s term we were certainly very proud of the system that we had been able to deliver.

But where are we now? The industry is very different to what it was in 1997. The sector continues to evolve, as all sorts of sectors in Australia do. We can see the issues that are in the aged-care sector in relation to the issues that I find in my city of Townsville. The first issue is bed shortages. That impacts around the community but it also impacts on the local hospital. Right now, 22 beds in the Townsville Hospital are being taken up by older Australians who should be in an aged-care facility, but there are no places. The 22 beds are being taken up by people who are being cared for by the nursing system when they should be cared for in an aged-care facility. I encourage providers in Townsville to look at obtaining more bed licences and providing additional beds in the city.

The Good Shepherd Hospice, an existing aged-care provider, in cooperation with the Townsville Hospital, wants to provide an additional 36 places to clear the bed blockage. The state government, as I understand it, is prepared to contribute, but the federal government needs to contribute. At the last election there was a commitment from Senator McLucas, the senator who represents North Queensland, for the $2 million needed to build those beds, and there was a commitment from the Howard government as well. The hospice itself is going to put in a significant amount of money. So the commitments from the state government, the federal government and the aged-care facility itself are there but nothing is happening. It is
not happening because the aged-care facility cannot get any clarity from the Rudd government as to when its $2 million will be delivered. That is a real shame.

The Good Shepherd Hospice is ready to go now, the hospital is ready to help, the state government is ready to help, but we are having difficulty with the Rudd government. I plead with the Rudd government: please honour your election commitment to provide that money. Please look after the people in Townsville who need that care and get them out of the hospital. Getting them out of the hospital will mean people will not have to sit on trolleys in the emergency ward. Relatively recently, a cancer patient was on a trolley in the emergency ward for such a length of time that they actually died in the corridor. That is a terrible standard of care in the hospital system, a very sad situation indeed, and it comes back to supporting the aged-care industry.

Many in the aged-care system are running on impossibly tight margins these days. I recently spoke to a number of operators in Townsville and they gave me the grassroots version of what is happening. One of their problems is that they cannot pay the staff what they need to pay them to keep them. Their staff are both enrolled nurses and registered nurses. A registered nurse in the aged-care industry in Queensland looks at what the Queensland government is paying registered nurses in the hospital system and says: ‘Why am I working in aged care? The hospital system pays a whole lot more money for the same job.’ So they go off to the hospital system.

The aged-care facilities have difficulty keeping their staff. They say to me: ‘We should look at the role of registered nurses in the aged-care system. Do we really need to have a registered nurse for many of the functions that are carried out in the care of older Australians?’ As a community we really do need to look at that because we have to keep the care up in the hospitals and in the aged-care homes. We really do need to look at whether we need qualified people doing jobs that less qualified people could do perfectly satisfactorily. I want to make quite clear that I am not for one moment suggesting that we should in any way prejudice quality care for older Australians. I am asking the aged-care industry and the government to look sensibly at which staff might do what jobs and what the requirements might be. There may be a way that we can get more staff back into the aged-care system and stop the leakage that is happening now to the hospital system.

I had another aged-care provider tell me that their home had been there for four decades and it was time to do a complete refresh. The provider said: ‘It is just not economically viable to do it. Why would I do it? It is going to cost too much money and there will be no return at the end of the day in investing that capital in a complete refresh. We need to be much larger than we are to make a refresh economic.’ That might be happening in Townsville is of concern. And, if it is happening in Townsville, it is happening in every other city in the Commonwealth.

I have also been concerned that some of the administration that is needed these days in aged care is overwhelming the management and the staff of these facilities. Yes, we have to be careful about ensuring compliance with standards and we have to have the proper records, but I am advised by the aged-care industry that the paperwork these days is out of control. We ought to have a look at that with a view to freeing things up and seeing if we can do things in a smarter way that does not generate all of the paperwork that is there.
I specifically want to point to the RSL Rowes Bay aged-care facility in Townsville. I believe they have been very unfairly treated. Earlier this year there was a time when they did not meet some standards. That high-care RSL facility is as good as you would find anywhere in Australia. It is a wonderful place. It is first class and very new. They had a staffing problem at that time and that caused them a little bit of grief. They immediately overcame it when they saw there was a difficulty. But this has gone on. I saw in the paper last week that the RSL was named as one of the non-performing aged-care facilities in Queensland. That is terribly unfair. No allowance has been made for the work the good people and the management at that RSL aged-care facility have done to make sure that they are better than the standards that are required for the care of our older Australians. I hope there is some mechanism whereby we can address that kind of situation.

The government, to its credit, announced that it would be looking at having increased visits to aged-care facilities by the agency, the independent watchdog; increasing the powers of the agency; expanding the requirement for all aged-care employees to undergo police checks et cetera; investing in staff to check on both residents and paperwork in a facility; and filling in gaps in the legislation. But we can do more than that. I appeal to the government to look at the points I have raised in this speech tonight on the Aged Care Amendment (2008 Measures No. 2) Bill 2008 and to make those the subject of further legislation in due course to make the aged-care industry even more appropriate for the care of older Australians.

Mr CRAIG THOMSON (Dobell) (5.41 pm)—It is my pleasure to speak to the Aged Care Amendment (2008 Measures No. 2) Bill 2008, which is before the Main Committee. Before I start I want to say that the member for Herbert’s contribution was a very thoughtful contribution and he raised many very valid points. The difficulty, in terms of the hypothesis that was put forward by the member for Herbert, was that his criticisms of our current aged-care system lie squarely at the feet of the previous government. They oversaw the aged-care industry for over 12 years. The previous government made the changes that put in place the system that we have today.

The issues that the member for Herbert raised are indeed important ones; for example, the shortage of beds. A shortage of beds within 12 months of coming to government is clearly a responsibility of the previous government in failing to address the particular issue of shortages. One of the criticisms of the previous government, made by many commentators and many of the participants in the industry, was that there were so-called phantom beds. An allocation of beds went out to various providers, but it was often many years, if at all, until those allocations of beds became real beds that people could occupy. So the whole planning system, in terms of beds, by its very nature had a lag time, which the previous government did not look at addressing in any sense whatsoever.

The issue that the member for Herbert then went on to raise in relation to staff and pay is an issue that I was intimately involved in, having represented aged-care workers for 18 or 19 years. It was an issue that the previous government refused to look at; they did not look at it at all in terms of what they wanted to do with aged care. The member for Herbert, though, is right: what we need to do in aged care is look at other workforce models. Currently, 80 per cent of staff who are direct care staff are not registered nurses; they are either assistants in nursing, personal care assistants or enrolled nurses. So the vast majority already are not regis-
tered nurses. We need to look at the way in which those models work in a more efficient way to make sure that we can attract and retain properly skilled staff in the aged-care industry.

It is interesting to note that, despite a number of recommendations to the previous government, there are still no minimum qualifications for people working in aged care. While the vast majority of providers self-regulate and ensure that their aged-care workers are at least at the certificate III level, this is not mandatory at all. In fact, it is quite possible in an aged-care facility to have someone walk off the street one day and be caring for our elderly the next day. These are important issues that we need to address. With this piece of legislation, the Rudd government is starting to address some of the issues that have hindered and plagued aged care in this country for the last dozen or so years.

The member for Herbert raised the issue of aged-care facilities raising capital to renew their buildings and their structures. This issue is very much alive at the moment. I am certainly not advocating for an extension of bonds in the aged-care industry, but we do have the very anomalous situation of aged-care residents in low care being able to be charged a bond while those in high care are not able to be charged a bond. In their transition through aged care, people move from one level of care to the other and face completely different circumstances. This skews the way in which aged-care providers run their businesses and the type of residents they seek to attract. This is an issue that the previous government did not face, but it is a challenge that is before the Rudd government. We must make sure we adequately fund aged-care facilities for capital growth and capital infrastructure. There is an anomaly at the moment, and it is a challenge that is before this government given that the previous government chose to ignore that particular issue.

Another issue the member for Herbert raised was in relation to red tape. I wholeheartedly agree with the member for Herbert about the amount of red tape that exists in aged care, but I repeat that this is the system that the previous government put in place. This is the system of regulation that they decided was the best system to look after aged-care facilities and ensure quality care. Frankly, this has created a whole series of red tape that ties up staff without ensuring that quality aged care is being delivered in all of our aged-care facilities. To the great credit of the Minister for Ageing, in the first 12 months of government she has immediately increased the number of spot checks—because, frankly, she could not rely on the paperwork and the red tape to ensure that quality care was being delivered. What she needed to do—and did do—very decisively and very early on in taking over this portfolio was to make sure there was a massive increase in the number of spot checks and spot visits to aged-care facilities and that there would be people on the ground to see that quality care was being delivered. Having said that, red tape is a real issue and it is one that this government will need to look at and address properly. We need to ensure that we are not unnecessarily tying up resources and that we are putting in place a system that measures the quality of care rather than measuring how someone fills out the paperwork.

In Australia we need to have adequate and effective regulatory safeguards to ensure that our older citizens are afforded high-quality care. Unfortunately the current legislation is inadequate, and that is why we need to change it through, in the first instance, the Aged Care Amendment (2008 Measures No. 2) Bill 2008. The purpose of the bill is to amend the Aged Care Act 1997 and the Aged Care (Bond Security) Act 2006. These amendments will address some of the current legislative inadequacies. They will also maintain effective regulatory
safeguards. In particular, the proposed amendments will link ‘approved provider status’ to the allocation of aged-care places—those directly linked to Commonwealth funding; modernise the legislation so that it better aligns with contemporary business practice and applies to all approved providers regardless of their corporate structure; streamline assessments of frail older Australians to ensure more timely and consistent quality assessments; ensure that any accommodation bonds or similar payments made by frail older Australians for entry to aged-care services are fully protected under the accommodation bond guarantee scheme; and make some minor operational changes to improve the administration of the legislation so that it operates more efficiently and effectively.

We have some tremendous aged-care facilities in this country. I am privileged to have in the seat of Dobell, on the Central Coast, some of Australia’s best aged-care facilities. I recently had the pleasure of attending the opening of a brand-new, state-of-the-art aged-care facility in the suburb of Kanwal, in my electorate. I was very pleased to have the Minister for Ageing attend the opening with me. We were able to see firsthand what a cutting-edge aged-care facility should look like. In this particular facility, each room has a huge computer screen that takes away the necessity for a lot of the paperwork that the member for Herbert was talking about. When an aged-care worker comes to look after a resident, they immediately go to the screen and fill out the forms there. There is no need to fill out laborious paperwork. There is an immediate response; it goes back to a central server. If key indicators are not filled out, there is notification to the director of nursing in the facility and she makes sure that remedial action is taken immediately in relation to the care of the particular resident. That sort of state-of-the-art aged-care facility is the sort of aged-care facility that we are going to see throughout Australia. It is one that I was very pleased to visit, to see the way in which aged care has developed and changed. I am very happy that we have such a facility in my electorate.

While we were at William Cape Gardens, we presented community service awards to two very deserving people who are part of that facility in Kanwal. One was Cheryl Wright, who is a staff member. I want to mention Cheryl for the tremendous work she has done and the contribution she has made there for years. The other was a resident called Lindsay Rose. Lindsay plays a very important role in this aged-care facility, one that is important in terms of the way in which aged care should operate in the future. While Lindsay is a resident there, he also helps people who suffer from dementia. He has helped assemble in the aged-care facility a men’s shed, which has a whole range of tools. Lindsay helps organise the other residents to do some carpentry there to keep their minds active as well as interact in a social situation. It is important that the Minister for Ageing was able to recognise the work of Lindsay Rose and the work that this particular aged-care facility does.

There are two other aged-care facilities that I wish to mention today. One is the Legacy Hostel at Norah Head, which is a small facility but one that is superbly run. Testament to that is that a longstanding former member for the state seat of Wyong, Mr Harry Moore, is a resident there and a very happy one. Mr Deputy Speaker, you would know that politicians can sometimes be fairly demanding in making sure that they are getting the best deal they possibly can, and it is a testament to the hostel that Mr Harry Moore is very happy there. The Legacy Hostel at Norah Head is a marvellous aged-care facility. I have also visited Our Lady of Loreto Gardens, in Hamlyn Terrace, on a number of occasions. It is a new aged-care facility which is doing some great work with older Australians.
The last facility in my electorate that I wanted to mention today was Nareen Warnervale. The provider—Colin Macdonald is the name of the manager there—is doing a great job in terms of building a special-purpose garden for the dementia patients. The garden has cars in it, with radios that work, and a whole range of facilities to stimulate the minds of the dementia patients who live in this facility. This is really cutting-edge work that is being done, and the facility is looking at having a proper study done on the effects of this garden on dementia patients. It is not only making their lives more bearable in relation to the affliction that they suffer from but also delaying some of the symptoms. So they are just some of the quality aged-care facilities that we have on the Central Coast.

Aged care is an area that has many, many challenges, and this government will face many, many challenges in dealing with the ageing population and the system that we have inherited, including some of the problems that the member for Herbert outlined that have been left for this government to try and fix up—and we need to do that. One particular area that we need to look at is staffing levels and how to not only attract adequate staff to these aged-care facilities but also ensure that a provider can afford to pay for enough staff so that quality care is delivered.

Aged care in the United States is never put up as an example of a perfect system; in fact, it is usually used to describe how good another country’s aged-care system is by comparison. But it is interesting to note that, even in the United States, 32 of the states have now regulated through state legislation minimum staffing levels that need to be reached in relation to their aged-care facilities. That is because, following an extensive congressional inquiry, they worked out that the number of people who are there to look after aged-care facility residents has a direct relationship to the quality of care those residents get.

This is something that the previous Australian government chose to ignore, despite the fact that in 2004 an extensive Senate committee inquiry took place, resulting in recommendations. And those recommendations were bipartisan; there was no minority report. The recommendations that were made were unanimous, and included putting in place some way of making sure that we had a floor on the number of staff that could work in an aged-care facility. What did the previous government do, even though their own senators had made this recommendation? They did nothing—nothing at all. They did not even make a response to the Senate committee inquiry, an inquiry that made a whole range of recommendations. Those recommendations were made post the Hogan report, which cost a lot of money and made a whole series of recommendations, most of which were ignored by the previous government. There was then the Senate committee inquiry into aged care generally. It also made a series of recommendations, which were bipartisan—recommendations with unanimous support from both the major parties and, in fact, the Democrats; so minor parties were there as well—and the report did not even get a response from the then minister for ageing. They did not even respond to it; they put it on a shelf and forgot about it.

So for the member for Herbert to come in here and say that there are failings on the part of the Rudd government after 12 months for the way in which we have dealt with aged care is the height of hypocrisy. The previous government had 12 years in which they could have done something about the very problems that he was raising, and they are legitimate problems. They received recommendations during their time in government to address these particular issues, but they chose not to respond. So, when they come into this place and talk about their
sympathy for the residents of aged-care facilities and what should be done, they do not come into this place with clean hands. They come into this place with a track record in relation to dealing with aged care that no-one would be proud of.

We have seen the Rudd government start to reform the aged-care process with the legislation that is before us today. Through the increase in the number of spot visits to aged-care facilities that take place we have seen that this government puts a concern for the quality of care that is being delivered to the residents right at the heart of its aged-care system. This is in stark contrast to what we had from the previous government, which chose to ignore these issues totally.

The issue of aged care is a difficult one and it is one that increasingly is going to take more resources and more government time as the population grows older and more people need to avail themselves of residential services. It is an area that we cannot walk away from and that we need to address. One thing I am very pleased about is that this government, despite the difficulties of the system we have inherited and the various problems that need to be addressed, has said squarely: ‘We are there for aged-care residents. We are there to make sure that we are going to have a viable industry. We are there to make sure that providers are able to continue to do the work they do. We are going to put the residents front and centre of an aged-care system that makes sure they are looked after properly.’ I commend the bill to the House.

Ms MARINO (Forrest) (6.01 pm)—I acknowledge, for the member for Dobell, the wonderful facilities in his electorate that he has spoken about, but I will also quietly remind him that in regional areas it is a huge challenge to provide the types of facilities that he and his constituents have access to.

I rise to speak on the Aged Care Amendment (2008 Measures No. 2) Bill 2008. This bill does not go far enough in addressing the serious state the aged-care industry is in because of growth in the numbers of Australians who will need residential aged care. It does not encourage the necessary ongoing, continuous investment required to meet the demand. With an average return on a high-care bed in a modern facility at 1.1 per cent, it is no wonder the industry is in crisis and unable to attract investors. This bill merely updates regulatory safeguards in a half-hearted attempt to provide some confidence to the aged-care system but actually offers nothing in a practical sense. In many areas, confidence has already left the industry, and clearly the Labor government has failed to address the serious state the aged-care industry is in.

Aged-care funding in my electorate of Forrest over the 2006-07 year totalled over $34.5 million. Currently, there are 17 residential care facilities, offering 399 high-care beds and 566 low-care beds, located in Harvey, Collie, Eaton, Bunbury, Donnybrook, Nannup, Busselton, Bridgetown, Manjimup and Margaret River. Three multipurpose services in Nannup, Augusta and Pemberton offer 25 high-care, 29 low-care and nine community care places. Two specific dementia facilities offer seven community care places in Bunbury and Busselton. Nine organisations offer 246 community care places in Busselton, Margaret River, Collie, Bunbury, Donnybrook and Manjimup, and two extended aged-care at-home services offer 17 community care places through Strelley Grange Home Care in Busselton and Silver Chain Bunbury/South West. These facilities service a total of 1,298 people.
In Forrest there are 17,981 people aged over 65, with 1,874 people aged over 85. It has been reported that half of the 2.8 million Australians aged over 65 will require some sort of assistance with their everyday activities. This means around 9,000 Forrest residents will require the services of one of the roughly 1,300 places available including community, low and high care. Ensuring strong growth in aged-care places is essential to providing a healthy, enjoyable and safe retirement for the general population of Australia.

WA has a unique set of circumstances, clearly not recognised by the Labor government—or is it simply because we have a Liberal-National state government in WA? I note a letter in the West Australian newspaper from Ray Glickman, CEO of Amana Living. He said:

Sometimes it seems that Canberra is a world away rather than just on the other side of our continent. The impacts here on the elderly of the resources boom and associated rampant inflation go unrecognised or are just ignored by the Federal Government.

Your newspaper has shone a light on the immediate hardships being suffered by elderly pensioners, but if anything, the long-term prospects for these same people in terms of care and services are even more alarming.

The letter went on to say:

Despite their best efforts, aged-care providers in this State can no longer afford to develop new care beds or even keep open all the ones they currently have. While the true inflation rate for aged-care services is running at 8-9 per cent, Federal funding increases are at 4 percent at best. Construction costs for new beds are now running at more than double the income that is provided by the Government to pay for them. This situation is clearly now of crisis proportions

Mr Glickman also stated:

WA is currently 2000 care beds short of Government targets, with this number set to increase rapidly in the face of aged population growth.

One of the major issues facing the aged-care industry is the large number of providers that are operating at a loss, which is threatening the sector, clearly demonstrated in Mr Glickman's letter. High care is the area most in need of assistance, as it is quickly becoming the area companies are least likely to upgrade, with 40 per cent of high-care operators running at a loss while, at the same time, being forecast as the type of care to experience the most growth over the coming years as Australians use fewer low-care options, instead utilising the growing community care facilities prior to making the move into high-care residential living.

For the first time ever, the profitability of the aged-care sector has fallen sharply, demonstrated by the undersubscription of places in Tasmania and Western Australia, despite robust competition for places. The release of the Grant Thornton Aged Care Survey 2008 predicts a dire future for aged care in Australia. Average earnings for aged-care providers have declined by 10 per cent in just one year according to the 2008 National Residential Aged Care Survey. In 2007, aged-care facilities were returning an average of $3,211 per bed. This figure has declined to $2,934 in 2008. High-care beds in particular performed exceptionally poorly, with modern, high-care, single-bedroom facilities averaging a return of just $2,191 per bed this year. That is a return of just 1.1 per cent on these facilities, and it is not surprising that companies are scrapping or postponing upgrade plans.

The survey highlights that declining earnings and increased construction costs have prevented the redevelopment of many aged-care facilities that are themselves ageing—and in country areas, ageing significantly. The viability of the aged-care sector is under serious threat
as the government continues to ignore the very basic incentives needed to encourage investment in modern aged-care facilities. I am concerned that, as the Grant Thornton survey reported:

The regulatory and pricing framework now threatens the viability of the aged care sector by suppressing incentives to invest in modern aged care infrastructure.

This decline in investment severely limits choice for consumers of aged care services.

The last thing we need in an environment where we will soon be experiencing very high ratios of retired residents to working residents is a limited choice in aged-care services, particularly high-care services. What is even more alarming is that this dramatic fall in return on investment has coincided with growing demand for aged-care services which has forced some aged-care consumers onto the state hospital system. This is a most worrying trend. If the industry remains static or declines, our public hospitals will not be able to cope with having to provide aged care, not to mention the predicted half a million extra people who will be forced onto overflowing public hospital waiting lists as a result of the amendment to the Medicare levy surcharge.

Given that, in 44 per cent of aged-care facilities surveyed by Grant Thornton, the buildings—the actual bricks and mortar—are currently over 20 years old, I have grave concerns. I urge the government to take the action necessary to ensure investment in aged-care, particularly high-care, facilities so they remain viable and do not fall behind demand. This will ensure that Australians living in residential care facilities enjoy comfortable, safe, modern facilities and are not left with either inferior service or nowhere to go.

Equally important is ensuring that residents have a high quality of life when in aged care. The Aged Care Survey 2008 indicated there were concerns in the industry that budget constraints and poor financial performance of both small and large service providers was not only leading to poor quality facilities but also resulting in reductions in recreation and lifestyle activities. Our elderly Australians deserve to be able to have a good quality of life, a range of activities to enjoy, caring aged-care workers, and access to health and personal support services in their aged-care facility.

In recent years there has been a large shift in the structure of the companies that own and run aged-care facilities. As corporations have moved into the market, the status quo of aged-care facilities being small operations where the owner has significant influence over the day-to-day running of the facility has shifted to one where the owners of aged-care facilities—effectively the shareholders of such firms as Babcock and Brown, AMP and Macquarie Bank—are completely removed from the management of the facility. Effectively they are commercially driven and managed enterprises. Production costs have risen substantially over a very short space of time, encouraging firms to turn away from prospective expansions. Add to this the shrinking proportion of government subsidies and an acute shortage of nurses—problems shared by all in the health sector—and it is no wonder we find ourselves discussing the aged-care industry. Providers are handing back bed licences and decisions have been made at provider board level not to apply for further places unless there is structural reform to the industry. A number of providers are closing beds.

All this comes while demand for aged-care facilities is set to increase over the coming years with the number of over 85-year-olds, the demographic most likely to demand high care, set to increase fourfold from 400,000 to over 1.6 million over the next 40 years. The
recent Productivity Commission research paper *Trends in aged care services: some implications* also predicts a significant rise in demand for aged-care services over the coming 40 years. If I were an aged-care operator, I would be very worried. With the government refusing to guarantee an adequate income stream past the 2009 budget for aged-care facilities, there is very little to encourage providers to invest in new facilities or to improve their services or existing facilities.

I am most concerned that Australia’s aged-care system will not be able to meet future challenges. These issues stem from aged-care providers recognising the unsustainable financial situation they find themselves in and needing to make commercial decisions. Since coming into government, Labor has ignored older Australians. It has undermined the aged-care industry and the dedicated employees who take care of our senior members by refusing to commit to time lines or concrete targets—therefore not providing the Australian people with any confidence. This is another example of their watching approach.

I looked at the MYEFO figures, the government’s economic mismanagement and bungling of the guarantee on bank deposits, and their failure to factor the current economic position into the emissions trading scheme modelling. I look at the education revolution and the additional costs to the states and I look at the national broadband network. In my area that is still to happen. But I have news for the government. The aged-care companies will not just watch; they will simply not invest if the government does not provide certainty. They will walk away and they will not invest in the aged-care sector or provide care to our elderly population. I will be very interested to see whether the 1,500 new places on offer will be taken up in the next round. With the older population set to make up nearly a third of our total population—more than double the current percentage—the Prime Minister will be held to account.

The previous government introduced significant changes to the aged-care sector as part of the 2007-08 budget. Many of these changes, such as the Aged Care Funding Instrument, have been retained by the current government, and peak bodies have expressed relief that there were no significant cuts to the aged-care sector in this government’s first budget. The conditional adjustment payment was introduced as part of the previous government’s initial response to the report of Professor Warren Hogan’s *Review of pricing arrangements in residential aged care*. The amount of CAP payable in respect of a resident is calculated as a percentage of the basic subsidy amount payable in respect of a resident. In 2004-05, the year of its introduction, this percentage was 1.75 per cent. It then rose annually in 1.75 per cent increments to 3.5 per cent in 2005-06; 5.25 per cent in 2006-07; and 7.0 per cent in 2007-08.

With the threat of a cut to aged-care funding in the budget, the Prime Minister intervened at the last moment—actually the Sunday before the budget—and provided indexation to the CAP subsidy of 1.75 per cent to continue for one year only. It was therefore continued and maintained by the new government and announced in its 2008-09 budget. With indexation to the CAP subsidy increasing by the same increment of 1.75 per cent, the CAP level was lifted to 8.75 per cent. Discontinuing the indexation of CAP would have sent some aged-care providers to the wall, adding to the 40 per cent in the sector already operating at a loss.

It was also disappointing that the budget did not make any meaningful contribution towards addressing the significant health workforce challenges. An extra 1,000 nurses over five years in the residential aged-care sector will do little to address the declining workforce and the pay disparities in the sector or the broader challenges facing the aged-care workforce. A research
paper by the Productivity Commission released last month forecast that the number of Australians over 85 years would quadruple to 1.6 million and that governments would need to spend $450 million each year to ensure aged-care nurses were paid the same as hospital nursing staff.

The previous coalition government placed significant emphasis on wide-ranging reforms to deliver a high-quality, affordable and accessible aged-care system that understood the needs and preferences of older Australians. The reforms began in 1997 when the Aged Care Act 1997 and the Aged Care Principles introduced a unified residential care and payments system and a national quality assurance framework for residential aged care, combining accreditation, certification and the Aged Care Complaints Investigation Scheme. These measures gave the community greater confidence in the quality of care, services and standards of accommodation and protected the rights of older Australians. The coalition places significant importance on older Australians having access to high-quality aged care.

Since the act came into effect in 1997, the industry has matured significantly. The setting in 2008 is significantly different from what existed in 1997, with the sector evolving into multisite, multistate, multiservice operations using complex financial and legal arrangements. The previous coalition government’s substantial commitment to the aged-care sector is demonstrated by the increase in the total number of operational aged-care places. In December 2006, this represented a 48 per cent increase compared to Labor’s previous policies in 1996. There was a 21 per cent increase in residential care places, a 795 per cent increase in community care places and our total aged-care funding was just on 100 per cent more than Labor’s 1996 figures. The previous federal government also provided funding for nursing homes to install clinical and patient management systems that help in the sharing of information between residential care providers, hospitals and general practitioners.

The ageing of our population is the biggest social issue that Australia faces and it will present considerable budgetary pressures. The Australian government’s spending on health is projected to increase as a proportion of GDP from 3.8 per cent in 2006-07 to 7.3 per cent in 2046-47. The growth of real GDP per person is projected to slow because of the ageing of the population and increasing life spans. Spending on health and aged care is projected to grow significantly over the next 40 years due to improved drugs and medical technologies.

Australia is facing a demographic shift. Australians now have one of the world’s longest life expectancy rates in the world. At present, Centrelink is the agency which determines an aged-care recipient’s financial status for the payment of bonds et cetera. Industry has reservations about this power being conferred on the Secretary of the Department of Health and Aging, who may attempt to extend capping bonds for other aged-care residents.

The bill widens the powers of the department to enable it to impose sanctions on behalf of future aged-care residents and to allow it to impose sanctions to act as a deterrent on future noncompliance. Because of the subjective nature of these provisions, it would be difficult to argue against an appeal. The act currently has considerable powers to impose sanctions and revocation of licences. These provisions introduce unnecessary uncertainty and complexity into the act. In practical terms, what concerns me most, and what lies at the heart of this legislation, is the capacity to deliver a high-quality, well-serviced, caring environment for our aged citizens. For both the residents and their families, there is an absolute imperative to know that the quality of care is the very best possible. So often, one of the hardest decisions loving fami-
ily members have to make is the decision to have their parent or grandparent enter an aged-care facility. Not only do they want their parent or grandparent in good facilities, they also want to know they are being genuinely cared for, and their needs respected and understood, by those who look after them. They want their loved ones to have access to the best possible allied health services they need, a range of activities and entertainment, and a quality of life in the aged-care facility. The national head of aged-care services at Grant Thornton, Cam Ansell, is quoted in the WA Business News as saying that:

Although the cost of building and operating modern facilities is much higher than running older-style shared room accommodation, the current funding model does not provide additional compensation for operators that meet consumer demands for privacy and dignity.

At the same time, Aged Care Association Australia’s chief executive, Rod Young, said that ‘the federal government’s $10.4 billion economic stimulus package ignored the frail elderly’ and described the future of Australian aged-care services as ‘grim’. (Time expired)

Mr BIDGOOD (Dawson) (6.21 pm)—I rise to support the Aged Care Amendment (2008 Measures No. 2) Bill 2008. The purpose of the bill is to amend the Aged Care Act 1997 and the Aged Care (Bond Security) Act 2006 to address current legislative inadequacies and to maintain effective regulatory safeguards for ensuring high-quality care for older Australians. The bill is part of a package of reforms designed to ensure that the approximately one-quarter of a million frail, older Australians who are in residential care, or who receive community care services in their homes, receive high-quality care. It further ensures that the often significant sums of money paid by care recipients are managed responsibly, and that the regulatory framework is robust.

In particular, the proposed amendments: firstly, link approved provider status to the allocation of aged-care places directly linked to Commonwealth funding; secondly, modernise the legislation so that it better aligns with contemporary business practice and applies to all approved providers regardless of their corporate structure; thirdly, streamline assessments of frail older Australians to ensure more timely, consistent and quality assessments; and fourthly, ensure that any accommodation bonds or like payments paid by frail, older Australians for entry into aged-care services are fully protected under the Accommodation Bond Guarantee Scheme, and make some more minor operational changes to improve the administration of the legislation so that it operates more efficiently and effectively.

This bill is an important part of the Rudd Labor government’s commitment to delivering to those people who rely on a strong and fair aged-care industry. The changes implemented by the bill will see significant net benefits to all stakeholders. In terms of cost, some of these measures are likely to result in small initial implementation costs to the aged-care industry while other measures are expected to lead to efficiencies in savings.

The changes outlined in the bill have been the subject of consultation with the aged-care sector through the Ageing Consultative Committee. This comprises peak industry, professional and consumer bodies. Committee members also consulted more broadly, distributing a consultation paper prepared by the Department of Health and Ageing. Written submissions were received from stakeholders and informed the development and finetuning of the complex legislative and policy reform processes.

The Rudd Labor government are proud of the level of consultation we have with our stakeholders and communities, especially the seniors community. Earlier this month, we had the
pleasure of receiving in the electorate of Dawson the Minister for Ageing, Justine Elliot. She
came to Mackay, where we held an aged-care forum with representatives from all aged-care
stakeholder groups in the electorate—such as the CEO and general manager of the Good
Shepherd Lodge, the CEO and general manager of Resthaven, the leaders of the Homefield
Aged Persons Home and Sister Pauline from the Francis of Assisi Home. We also had leaders
of nursing homes in Proserpine and Sarina with us there, in the electorate of Dawson. It was a
small group of peak operators and decision makers sitting down face to face with the Minister
for Ageing, Justine Elliott.

During my consultations, I spent a lot of time getting together with the peak operators of
the aged-care industry in the electorate of Dawson. They called upon me very early in the
election cycle to have a meeting with the Minister for Ageing, so it was particularly pleasing
for me to have Justine Elliot come to Mackay and enable that to happen within our first year
in government. Those operators were excited and ecstatic at the reception they received and
comforted that their concerns, highly detailed and well explained, were able to be expressed
in an atmosphere very conducive to good, positive and constructive discussion. I know from
speaking to the Minister for Ageing after that process how edifying she personally found it
and that she found the participants’ commentary very positive and constructive. I know that
the minister has taken a lot of what they said seriously and on board in her assessment of the
situation.

Something which has also pleased many of the people in the aged-care industry is the Rudd
Labor government’s leadership in deciding to inject $10.4 billion into the economy. Part of
that is giving $1,400 to each single elderly person and $2,100 to couples. As you would know,
in aged-care facilities there are many contractual business arrangements whereby up to 85 per
cent of any additions to the aged-care pension may be taken from the person in the home. This
government made a very clear decision, and that was to give a 100 per cent lump sum which
will be going out on 8 December 2008 to the elderly folk across this nation. They will benefit
from it directly 100 per cent. There will be no deductions by anybody as it passes from gov-
ernment to the individuals concerned. And that is going to be really good news for our elderly
people, who will be able and empowered to spend that money as they choose, or, if they wish,
to save it. They will be able to buy presents for their families, to buy those things which they
have never been able to afford before or perhaps to give something back to those who spent
many years caring for them before they went into an aged-care home. So I think it is a very
positive thing.

While the minister was in Mackay, in the seat of Dawson, the minister’s visit marked the
recognition of a senior citizen, Lynn Howland. She was honoured by the federal government
with a plaque presented by the minister at a large gathering of senior citizens. I would like to
take some time to recognise volunteers such as Lynn Howland, who have spent a lifetime
serving other people. She truly did deserve this plaque. Mrs Howland is currently chairman of
the Mackay District Senior Citizens Club. She has held the position for seven years and was
vice-chairman for three years before that. Lynn is at the centre nearly every time the club is
open for activities unless her other community commitments force her to be absent while she
is at another meeting or activity.

The club is open five days a week for 48 weeks of the year—except for the dances, which
continue all year round. The club has the following activities weekly. On Sunday they have

MAIN COMMITTEE
indoor bowls from 1 pm to 4.30 pm. On Monday they have indoor bowls from 7 pm to 10 pm, and on Tuesday they have cards, craft and indoor bowls from 8 am to 11 am, and indoor bowls from 1 pm to 4.30 pm. On Thursday they have cards and indoor bowls and, on the third week of the month, either a cent sale or a concert. On Saturdays they have dancing from 7.30 to 11.30. Generally, Lynn Howland is at the Mackay centre for the night. Monthly, the club has, on Saturdays, cards from 1.30 to 4.30 and on Sundays they have barbecues from 6.30 to 10 pm. Yearly activities include things like morning tea for residents from aged-care homes in September. Entertainment is also provided. They have balls twice a year, Hogmanay on New Year’s Eve, concerts three times a year—which Lynn convenes—and other clubs are invited for a night of social bowls four times a year.

Lynn is constantly on the lookout for funding to assist the club with finances so that the costs can be kept down for seniors. Recently she submitted applications to the Gambling Community Benefit Fund, the Volunteer Grants Program, the Q150 Community Funding Program and the Community of the Year award.

In 2008 Lynn arranged a charity concert to assist the Mackay North Primary School, as they had been severely flooded in the February 2008 floods that hit Mackay. This school often assists the senior citizens with the concerts by performing the first half of the entertainment. I must say that just last week, on Thursday, I was at the senior citizens hall and I heard the Mackay North Primary School band. They were absolutely delightful, well orchestrated and very well disciplined. They brought great joy to the many elderly people who were there, and gave a fantastic performance.

During Seniors Week each year Mrs Howland has been instrumental in arranging activities for seniors in the district. For the last five years this has included working with two other groups—the NSA Mackay branch and 50 and Better—to host a sausage sizzle and entertainment morning to launch Seniors Week. This event has non-stop entertainment from 9 am till 12.30 pm. She has arranged with Mirani Shire Council to host an afternoon tea for seniors in the district, to be arranged by the youth group up there.

Mrs Howland also presented an honour posthumously to a dedicated volunteer of South Sea Islander descent. She also arranged for open days for senior citizens clubs to enable the general public to visit and learn what they are about. Lynn also arranged with the committee a morning tea for the members. She helped host a mystery bus trip and invited the prep grade children to visit during one of the mornings to have them entertain and sing and then have a game of indoor bowls before morning tea.

Mrs Lynn Howland has made other significant contributions, including being president of the National Seniors Australia Mackay Branch, which involves monthly meetings, lunches and bus trips. Lynn was president from 1998 to 2003 and has been again since 2005. She is also the zone 104 committee chairman for National Seniors Australia, which involves meetings and chairing conferences between Mackay in the south and Cairns in the north. She has held that position since 2002 and it also involves meetings in Brisbane.

So, as you can see, Mrs Lynn Howland has been extremely busy. She was also the Mackay Whitsunday representative on the Queensland Seniors Council from 2005 to 2007. In 2008 and 2009 she will be involved in meetings in Brisbane and local areas, workshops, planning meetings, a forum in Brisbane, interagency meetings in various towns and speaking by invitation to other groups and service providers. Lynn was a guest forum presenter at the Moranbah
Ministerial Regional Community Forum. Mrs Lynn Howland is also a member of the Senior Safety working group in Mackay, which meets monthly. Lynn was a member of the Active Ageing working group in the Mackay and Mirannie area, which met monthly during 2006-07.

The Minister for Ageing, Justine Elliot, came to Mackay and honoured Mrs Lynn Howland, who has been incredibly busy and has tirelessly worked as a volunteer for all of these aged-care groups. Indeed, she should be highly recognised. I am proud to know her. She did lobby me very hard when I went to the AGM of the 50 and Better group in Mackay. Even though I am not 50 until next May, she made me an honorary member. I thought that was very kind of her. With tears in her eyes, she grabbed my hand and looked into my eyes and said, ‘Please, James, tell Wayne Swan when you see him how grateful we are for the way that he is helping the elderly in this area.’ I told Wayne that and he was most grateful to hear that direct from Lynn.

It is expected that a number of the changes outlined in the bill we are talking about here will benefit care recipients and their families by, for example, strengthening the protection of bonds paid, streamlining assessment of care recipients and generally improving the framework designed to protect the health, welfare and other interests of care recipients. In recent years there has been significant growth in the value of accommodation bonds held by aged-care providers. As at 30 June 2007 around 970 approved providers—75 per cent of all approved providers—held accommodation bonds, with a total value of $6.3 billion. It is obviously extremely important in terms of consumer confidence and to maintain and increase the level of corporate investment in the sector that the regulatory framework that governs these financial arrangements is as robust and current as possible. In addition, feedback from the sector clearly reflects a level of dissatisfaction—

The DEPUTY SPEAKER (Ms JASaffin)—Order! The debate is interrupted in accordance with standing order 192. The debate is adjourned and the resumption of the debate will be an order of the day for the next sitting. The member for Dawson will have leave to continue speaking when the debate is resumed on a future day.

STATEMENTS BY MEMBERS

Gippsland Electorate

Mr CHESTER (Gippsland) (6.40 pm)—I rise to highlight concerns within my electorate in relation to the federal government’s commitment to practical environmental work as carried out by organisations such as Landcare. The concerns relate to the government’s decision to cut the level of guaranteed funding to catchment management authorities and its failure to deliver on a promise of $3 million for water quality improvements in the Gippsland Lakes catchment. In my electorate, the decision to cut CMA funding has directly contributed to the number of Landcare staff within the West Gippsland CMA being slashed from nine to three. It makes no sense to cut funding to the very people who are coordinating volunteers—they are out there getting their hands dirty; they are doing the revegetation work, pest animal control, weed reduction and erosion management—but that is what is happening in Gippsland today.

The cuts to practical environmental programs are also having a very significant impact on small businesses such as the wholesale nursery industry. Nursery owners in my electorate, such as the Glengarry Plant Farm, are reporting a massive reduction in orders from groups such as Landcare, Greening Australia and the CMAs. These groups simply are not pre-
ordering the same number of native trees for revegetation programs and streamside rehabilitation, because they have no idea whether they will have the funding to pay for the trees in the future.

Last week I attended a community forum in Bairnsdale where more than 200 people listened to highly qualified experts talk about the environmental challenges facing the Gippsland Lakes and catchment areas. The federal government promised $3 million for Gippsland Lakes catchment areas 12 months ago, and to this day not a single cent has been spent. I urge the federal government to get on with the job of investing in—(Time expired)

Councillor Charlie Gregorini

Ms JACKSON (Hasluck) (6.41 pm)—On Saturday I was deeply saddened by the news that Councillor Charlie Gregorini, the Mayor of the City of Swan, had died in a tragic accident. It will be difficult to convey in a few words my respect for and admiration of Charlie, the man and the mayor. I know I share a sense of great loss with thousands of people who live and work in the City of Swan. Charlie Gregorini was a very special man—generous, warm-hearted and loving. He was proud of his family and treasured his time with them, especially Sandra, his wife of 38 years.

Charlie was passionate about his community and worked tirelessly to improve the quality of life for all in the Swan region. He started his community work as a 16-year-old and dedicated the rest of his life to others. He was first elected to local government in 1977 and became the council’s longest serving president and mayor. His services to local government were recognised in 1988 when he was awarded the Medal of the Order of Australia and, again, earlier this year when he was made a Member of the Order of Australia.

Charlie was a great champion and advocate for the City of Swan, not just at the local and regional level but also at a state and national level. As the local federal member of parliament, I was proud to host Charlie, City of Swan CEO Mike Foley and Deputy Mayor Mel Congerton when they visited Canberra in June this year. Tonight I wish to pay tribute to a great Western Australian. I was proud to count Charlie Gregorini as a friend. I send my love and deepest sympathy to Sandra and her family. We will all miss him. (Time expired)

Rudd Government

Mr ROBERT (Fadden) (6.43 pm)—It is 12 months to the day since the class of 2007 was elected. It is interesting to see that the government have put out a 70-page taxpayer funded glossy brochure to highlight everything that they have done. What have the government done? When I look at my electorate, all I see is misery, pain, inaction and oblivion. In fact, not only have the government just done nothing; they have done less than nothing. They have obliterated the Regional Partnerships program, which leaves organisations in my electorate with no legitimate funding sources. What do I say to the Riding for the Disabled Association, which needs a new roof for its shelter? What do I say to Youth Point Connect and the Coomera and Oxenford youth centre—the only two youth centres in Fadden, which is the fastest growing electorate? What will I say to St Vincent de Paul, who are building homeless shelters? We do not have a single homeless shelter in Fadden—not a single one. What do I say to them? What do I say to businesses that are suffering? What do I say to women like Kay, who I sat next to at a dinner last Saturday night and whose savings have been frozen? She is one of the 270,000
Australians affected by the farce of the Rudd government’s bank guarantee, which has so distorted the financial market. *(Time expired)*

At 6.45pm, an audio system failure prevented the recording and transcription of the speeches of Ms Parke, Mr Bruce Scott, Mr Stephen Smith and Mr Simpkins, and of any further proceedings of the Main Committee.

In accordance with the Speaker’s statement of 1 December 2008, the text of those speeches has been incorporated below.

**Ms PARKE** (Fremantle) (6.45 pm)—*The incorporated speech read as follows—*

On Wednesday, 19 November at the Fremantle Workers’ Club in my electorate, I was honoured to host the presentation of Australian Defence Medals to Oliver Cosgrove, Harry Hickson, George Martin, Malcolm Shalders and Jerry Kołtaś. Jerry has sadly passed away, so his medal was received by his wife Jennie. These medals provide an opportunity to pay tribute to regular and reserve force members who have served four years, completed an enlistment period or re-enlisted since the end of World War II. Many tasks and roles performed by ADF personnel remain invisible to the general public, yet they are no less valuable contributions to the security of the nation and the discharge of our responsibilities in the international community.

It was appropriate that the ADF medal presentation took place on 19 November. Members will recall that 19 November was the 67th anniversary of the day 645 Australians perished in the famous and tragic engagement between the HMAS Sydney and the German raider HSK Kormoran. Fremantle was the Sydney’s home port and she was but a day short of her return from escort duties to Sumatra at the time of that final, historic encounter off the coast of Western Australia. Thanks to the tireless efforts of many people, we now know where HMAS Sydney lies with so many crew members who were born or raised in Fremantle, or who had developed deep connections with Fremantle.

**Mr BRUCE SCOTT** (Maranoa) (6.46 pm)—*The incorporated speech read as follows—*

I rise tonight to talk about my experience on Friday, when I attended the Queensland Mining Summit held by Queensland Deputy Premier Paul Lucas in Dalby, in my electorate of Maranoa.

Farmers in my electorate are understandably concerned with the aggressive attitude taken by the Queensland Government in its quest to fill its coffers with money from mining royalties. Farmers are crying out for the Government to see that they are sacrificing our prime agricultural lands and the future security of our clean, green local food sources in favour of coal and gas.

For a long time these cries fell on deaf ears but the forum on Friday gave me some hope that the Labor Government is finally listening and may do what our farmers have been calling on the government to do for months now, and that is amend the legislation to ensure our prime arable farming lands are protected from mining.

Of course, I am very disappointed that the Minister for Mines and Energy, Geoff Wilson did not attend and it certainly sent the wrong message to local growers. However, aside from the Mines Minister’s obvious lack of interest in the plight of our farmers, I am giving the Deputy Premier and the Premier the benefit of the doubt and I hope that they realise that the future of Queensland’s rich farm lands lies in their hands.

**Mr STEPHEN SMITH** (Perth—Minister for Foreign Affairs) (6.48 pm)—*The incorporated speech read as follows—*

I rise this afternoon to pay tribute to the late Charlie Gregorini, Mayor of the City of Swan, who tragically died over the weekend.
Charlie Gregorini was Mayor of the City of Swan, well regarded and very well respected in his local community.

When I first became the member for Perth, areas of the city of Swan were part of my electorate. Following the creation of the seat of Hasluck at a redistribution, I lost substantial areas of the City of Swan to Hasluck, as a consequence lost those areas to the Member for Hasluck. As a consequence both she and I knew Charlie Gregorini well.

His sudden passing is a terrible tragedy for this family. I extend my condolences and best wishes to his wife Sandra.

Charlie’s sudden death has been met with great sadness in the City of Swan and in Perth generally. He was a person of great integrity, and very well respected. His contribution to public life and local government over a long period of time was very well regarded.

I extend my deepest sympathy to his family, his wife Sandra and his children.

Mr SIMPKINS (Cowan) (6.49 pm)—The incorporated speech read as follows—

I rise today to speak of the untimely and sad death on Saturday 22 November 2008 of the Mayor of the City of Swan, Mr Charlie Gregorini AM JP.

Charlie Gregorini lived in Swan View in Perth for 38 years. He has been a fine servant of the people of the City of Swan, and it was right and appropriate that he was a recipient of the Order of Australia and Centenary Medal for his service to local government. I note that he was also Chairman of the Western Australian Grants Commission.

Friends and adversaries alike will recall his strong advocacy for the people of Swan and will rightly attribute a number of successes to his representation. He served first on the Shire and then the City of Swan’s elected council since 1977, and was a long serving Mayor.

I remember that earlier this year Charlie, the Deputy Mayor Mel Congerton and the CEO Mike Foley were in Canberra to engage with Ministers and shadow ministers alike. I recall that a number of our shadow ministers commented to me on the way Charlie and the City of Swan team conducted themselves. They were well prepared, well armed with the facts and figures, and argued strongly for the people of the City of Swan. There is no doubt that Charlie Gregorini’s leadership will long be remembered and appreciated.

While I am confident that in the future, the City of Swan will appropriately recognise Charlie Gregorini’s contribution, I take this opportunity to pay tribute to a great Western Australian, a great Mayor of the City of Swan and a great man, who will long be remembered for his dedication to the people of Swan and to his family. My condolences to Charlie’s wife Sandra, his five children and three grandchildren.

Sitting suspended from 6.52 pm to 7.17 pm
Main Committee adjourned at 7.18 pm
QUESTIONS IN WRITING

Epidermolysis Bullosa
(Question No. 325)

Mr Morrison asked the Minister for Health and Ageing, in writing, on 15 September 2008:
In respect of Epidermolysis Bullosa sufferers and their families: (a) what is the status of the Government’s consideration for providing support, including a national program to provide medical dressings and nursing; (b) what options are currently being considered by her office and her department; (c) what are the costs associated with these options; and (d) by what date will she make a recommendation for action on the issue.

Ms Roxon—The answer to the honourable member’s question is as follows:
(a) The Department of Health and Ageing (the Department) is exploring issues surrounding Epidermolysis Bullosa (EB), including the current services available for this group at both the Commonwealth and state and territory level, and issues involved with the previous government’s consideration of these matters.
(b) A range of options (including a proposal put forward by the Dystrophic Epidermolysis Bullosa Research Association), and the related policy and funding implications are under consideration.
(c) The costs are difficult to estimate as there is uncertainty regarding the number of people in Australia with this condition, their level of severity and their dressing requirements, and there are a range of different approaches that are being considered.
(d) No specific timeframe has been set.

International Panel on Climate Change
(Question No. 331)

Dr Jensen asked the Prime Minister, in writing, on 16 September 2008:
In respect of a statement he made about the number of scientists on the International Panel on Climate Change during his interview with Ms Tara Brown on Channel Nine’s 60 Minutes, televised on Sunday 17 August 2008: from where did he obtain the figure of 4000 scientists?

Mr Rudd—I am advised that the answer to the honourable member’s question is as follows:
In a presentation at the 27th Session of the Intergovernmental Panel on Climate Change (IPCC) on 17 November 2007, Chairman of the IPCC Dr Rajendra Pachauri noted that the Fourth Assessment Report, Climate Change 2007, was compiled by over 450 lead authors with 800 contributing authors from over 130 countries. The IPCC also notes in fact sheets published on its website that prior to approval and adoption by member governments, the Report was subject to rigorous review by over 2,500 expert scientific reviewers and was open to comment from all member government and non-government reviewers. In total, over 3750 scientific experts contributed to the Fourth Assessment Report.

Mr John Howard
(Question No. 339)

Mr Melham asked the Minister representing the Special Minister of State, in writing, on 18 September 2008:
What sum of money has been provided to former Prime Minister, the Hon John Howard, since 3 December 2007 for, but not limited to: (a) facilities; (b) accommodation; (c) staff; and (d) travel arrangements.
Mr Tanner—The Special Minister of State has supplied the following answer to the honourable member’s question:

Since 3 December 2007, a total of $404,583.55 (GST exclusive) has been provided, under entitlement, to former Prime Minister, the Hon John Howard AC as follows:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities</td>
<td>$63,354.76</td>
</tr>
<tr>
<td>Accommodation</td>
<td>$61,636.68</td>
</tr>
<tr>
<td>Staffing costs</td>
<td>$192,542.77</td>
</tr>
<tr>
<td>Travel: Mr Howard</td>
<td>$75,674.90</td>
</tr>
<tr>
<td>Travel: Mrs Howard</td>
<td>$11,374.44</td>
</tr>
<tr>
<td>Total:</td>
<td>$404,583.55</td>
</tr>
</tbody>
</table>

Export Market Development Grants Scheme  
(Question No. 343)

Mr Ian Macfarlane asked the Minister for Trade, in writing, on 22 September 2008:

In respect of the Export Market Development Grants Scheme: (a) for the 2007–08 financial year, what was the total amount paid to applicants for the (i) first, and (ii) second, tranche payments; (b) what was the total additional funding that would have been required to meet the second tranche payments for the financial year 2007–08 had the payout rate been 100 per cent; (c) for the 2007–08 financial year, how many exporters were included in the second tranche payments; (d) what was the number and total value of claims unpaid and carried over from the 2007–08 financial year; and (e) what is the estimated funding that will be required to meet all first tranche payments for the financial year 2008–09.

Mr Crean—The answer to the honourable member’s question is as follows:

In respect of the Export Market Development Grants Scheme

(a) For grant applications received in the 2007–08 financial year, the total amount paid to applicants for the first and second tranche payments was $138.2 million and $9.3 million respectively.

(b) The total additional funding that would have been required to meet the second tranche payments for the financial year 2007–08 had the payout rate been 100 per cent was $28.8 million.

(c) For the 2007–08 financial year, the number of exporters included in the second tranche payments was 870.

(d) The number and total value of claims unpaid and carried over from the 2007–08 financial year was 101 with a claim value of $9.3 million.

(e) The funding that will be required to meet all first tranche payments for the financial year 2008–09 has not been estimated at this stage and can only be estimated when all applications have been received.

Defence Home Ownership Assistance Scheme  
(Question No. 346)

Mr Lindsay asked the Minister for Defence, in writing, on 22 September 2008:

Is his department aware of any exposure the three Defence Home Ownership Assistance Scheme lenders may have to the financial turmoil in the United States; if so, what steps is his department taking to protect these mortgages and deposits held by defence personnel.

Mr Fitzgibbon—The answer to the honourable member’s question is as follows:
The Defence Home Ownership Assistance Scheme panel of Home Loan Providers comprises the National Australia Bank, the Australian Defence Credit Union and the Defence Force Credit Union. The providers advise that, while there is some exposure as a result of the financial turmoil in the United States, such exposure is limited. Much of this exposure has taken the form of increased fundraising costs, and is being experienced by most, if not all, financial institutions in Australia.

Defence administers the scheme and mortgage arrangements are between the member and the chosen provider. Defence is not in a position to protect the mortgages and deposits held by Australian Defence Force (ADF) personnel. The risk to the mortgages and deposits of ADF personnel is consistent with the wider Australia community.

The providers have reaffirmed that their balance sheet position is sound. Furthermore, as the providers are authorised deposit taking institutions regulated by the Australian Prudential Regulation Authority, stringent operational controls are in place to ensure the protection of depositor funds, including those of ADF personnel.

During the scheme’s tender evaluation, an independent financial viability assessment was carried out on each of the three providers. All tenderers were considered to be financially viable for the purposes of the tender.

The performance of the providers is regularly monitored by Defence to ensure they effectively manage the delivery of services to ADF personnel.

**Vocational Education and Training Funding**

(\textbf{Question No. 362})

\begin{quote}
Mr Windsor asked the Minister for Education, in writing, on 15 October 2008:

(1) Did the Government:

(a) support, during COAG deliberations, increased contestable funding in the Vocational Education and Training sector; and

(b) pledge, as part of its election commitment in Skilling Australia for the Future, to continue funding for existing TAFE places; if so, how will the Government reconcile these two positions whilst ensuring that regional and rural centres continue to receive dedicated funding for TAFE delivery.

(2) In announcing the 850,000 additional training places as part of its election commitment, did the Government say that it expected TAFE to take its share of the new places; if so, will the Government provide details of the providers that have tendered for the current 20,000 places.

(3) Will the Government comment on reports that, in many cases, both the Australian Education Union and the TAFE Directors are expressing serious concerns that the costings for the additional training places are so low that TAFE has not been able to tender.

(4) What are the Government’s costings for the additional training places.

(5) How will the Government ensure that TAFE is able to deliver these additional training places in rural and regional areas.

Ms Gillard—The answer to the honourable member’s question is as follows:

(1) (a) The Australian Government is committed to establishing a flexible and responsive national training system that is meeting the needs of students and industry as its central priority.

(b) Commonwealth funding for the state and territories’ core VET delivery is assured, the focus of the new arrangements for 2009–2012 is a change from burdensome prescriptions over how the States should deliver services, to a more hands-off, flexible approach underpinned by outcomes-based public accountability.

\end{quote}
TAFE is, and will remain, the responsibility of state and territory governments under the Commonwealth-State agreements and they are expected to maintain provisions to ensure the quality and equity of their training, including for rural and regional areas.

(2) Through the Productivity Places Program the Commonwealth has invested an additional $2 billion in training, with more than 700,000 places created over the five years. Given the central role of TAFE in the training sector, it is expected that many of these places will be delivered by TAFE. As at 20 October 2008, 41 TAFEs around Australia (10 in Queensland, 10 in New South Wales, one in South Australia, one in Tasmania, 14 in Victoria and five in Western Australia) have been contracted to provide training under the Productivity Places Program.

(3) Approximately two-thirds of TAFE institutes have tendered to deliver training under the Productivity Places Program.

(4) Costing for the additional training places are clearly outlined in the Request to Participate. Listed below is the maximum amount of funding that the Department of Education, Employment and Workplace Relations will make available for training courses under each qualification level.

<table>
<thead>
<tr>
<th>Qualification Level</th>
<th>Maximum Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate II</td>
<td>$2,500</td>
</tr>
<tr>
<td>Certificate III</td>
<td>$5,000</td>
</tr>
<tr>
<td>Certificate IV</td>
<td>$5,000</td>
</tr>
<tr>
<td>Diploma</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

The initial phase of the program has allocated funding on the basis of the cost of a qualification identified in a training provider’s expression of interest to the department. The funding provided for the Productivity Places Program is additional to existing state and territory funding.

(5) As at 7 November 2008, 517 Registered Training Organisations have been contracted to deliver training in regional and rural Labour Market Regions (LMRs).

Registered Training Organisations in Regional & Remote* Labour Market Regions as at 7 November 2008

<table>
<thead>
<tr>
<th>Labour Market Region</th>
<th>Number of RTOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>29</td>
</tr>
<tr>
<td>Adelaide</td>
<td></td>
</tr>
<tr>
<td>Brisbane/SE Qld</td>
<td></td>
</tr>
<tr>
<td>Rest of WA</td>
<td>2</td>
</tr>
<tr>
<td>Hunter/North Coast</td>
<td>96</td>
</tr>
<tr>
<td>Illawarra</td>
<td>40</td>
</tr>
<tr>
<td>NT</td>
<td>19</td>
</tr>
<tr>
<td>Perth</td>
<td></td>
</tr>
<tr>
<td>Central/North Queensland</td>
<td>57</td>
</tr>
<tr>
<td>Southern Queensland</td>
<td>36</td>
</tr>
<tr>
<td>Riverina</td>
<td>21</td>
</tr>
<tr>
<td>SA Country</td>
<td>16</td>
</tr>
<tr>
<td>Sydney</td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>40</td>
</tr>
<tr>
<td>Eastern Victoria</td>
<td>50</td>
</tr>
<tr>
<td>Melbourne</td>
<td></td>
</tr>
<tr>
<td>Western Victoria</td>
<td>68</td>
</tr>
<tr>
<td>South West WA</td>
<td>12</td>
</tr>
<tr>
<td>Rest of NSW</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>517</td>
</tr>
</tbody>
</table>

*Regional and remote areas excludes main cities, but includes Labour Market Regions of the ACT (including Canberra), Northern Territory (including Darwin), and Tasmania (including Hobart)