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SITTING DAYS—2008

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

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- **GOSFORD**: 98.1 FM
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- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—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 Warringah, NSW</td>
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<td>Adams, Hon. Dick Godfrey Harry Lyons, Tas</td>
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</table>
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
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<tbody>
<tr>
<td>Georganas, Steven</td>
<td>Hindmarsh, SA</td>
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<td>George, Jennie</td>
<td>Throsby, NSW</td>
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<td>Mitchell, NSW</td>
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<td>Wannon, Vic</td>
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<td>Flinders, Vic</td>
<td>LP</td>
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<td>Irons, Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
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<td>Irwin, Julia Claire</td>
<td>Fowler, NSW</td>
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<td>Hasluck, WA</td>
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<td>Scullin, Vic</td>
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<td>Ryan, Qld</td>
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<td>Kennedy, Qld</td>
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<td>Eden-Monaro, NSW</td>
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<td>Denison, Tas</td>
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<td>King, Catherine Fiona</td>
<td>Ballarat, Vic</td>
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## Members of the House of Representatives

<table>
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<th>Party</th>
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<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
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<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</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>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
<table>
<thead>
<tr>
<th>Position</th>
<th>Minister</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>
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<tr>
<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Stephen Smith MP</td>
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<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]
Minister for Home Affairs
Assistant Treasurer and Minister for Competition Policy and Consumer Affairs
Minister for Veterans’ Affairs
Minister for Housing and Minister for the Status of Women
Minister for Employment Participation
Minister for Defence Science and Personnel
Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation
Minister for Superannuation and Corporate Law
Minister for Ageing
Minister for Youth and Minister for Sport
Parliamentary Secretary for Early Childhood Education and Childcare
Parliamentary Secretary for Defence Procurement
Parliamentary Secretary for Defence Support
Parliamentary Secretary for Regional Development and Northern Australia
Parliamentary Secretary for Disabilities and Children’s Services
Parliamentary Secretary for International Development Assistance
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion
Parliamentary Secretary to the Minister for Trade
Parliamentary Secretary to the Minister for Health and Ageing
Parliamentary Secretary for Multicultural Affairs and Settlement Services

Hon. Bob Debus MP
Hon. Chris Bowen MP
Hon. Alan Griffin MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Hon. Warren Snowdon MP
Hon. Dr Craig Emerson MP
Senator Hon. Nick Sherry
Hon. Justine Elliot MP
Hon. Kate Ellis MP
Hon. Maxine McKew MP
Hon. Greg Combet AM, MP
Hon. Dr Mike Kelly AM, MP
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Bob McMullan MP
Hon. Duncan Kerr MP
Hon. Anthony Byrne MP
Senator Hon. Ursula Stephens
Hon. John Murphy MP
Senator Hon. Jan McLucas
Hon. Laurie Ferguson MP
<table>
<thead>
<tr>
<th>Role</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Shadow Treasurer and Deputy Leader of the Opposition</td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Trade, Transport, Regional Development and Local</td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Government and Leader of the Nationals</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Broadband, Communications and the Digital</td>
<td>Senator the Hon Nick Minchin</td>
</tr>
<tr>
<td>Economy and Leader of the Opposition in the Senate</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Innovation, Industry, Science and Research and</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition in the Senate</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and COAG and Shadow Minister</td>
<td>The Hon Andrew Robb AO, MP</td>
</tr>
<tr>
<td>Assisting the Leader on Emissions Trading Design</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and Manager of Opposition</td>
<td>Senator the Hon Helen Coonan</td>
</tr>
<tr>
<td>Business in the Senate</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td>and Manager of Opposition Business in the House</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td>Shadow Minister for Families, Housing, Community Services and</td>
<td>The Hon Tony Abbott MP</td>
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<tr>
<td>Indigenous Affairs</td>
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<tr>
<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Shadow Minister for Human Services and Deputy Leader of The</td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Nationals</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Climate Change, Environment and Water</td>
<td>The Hon Greg Hunt MP</td>
</tr>
<tr>
<td>Shadow Minister for Health and Ageing</td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Senator the Hon David Johnston</td>
</tr>
<tr>
<td>Shadow Minister for Education, Apprenticeships and Training</td>
<td>The Hon Christopher Pyne MP</td>
</tr>
<tr>
<td>Shadow Attorney-General</td>
<td>Senator the Hon George Brandis SC</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon John Cobb MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Mr Michael Keenan MP</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Citizenship</td>
<td>The Hon Dr Sharman Stone</td>
</tr>
<tr>
<td>Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts</td>
<td>Mr Steven Ciobo</td>
</tr>
</tbody>
</table>

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

MONDAY, 1 DECEMBER

Chamber
Main Committee—
Private Members’ Motions ................................................................. 11817
Nation-building Funds Bill 2008 ................................................................. 11817
Nation-building Funds (Consequential Amendments) Bill 2008 .................. 11817
Coag Reform Fund Bill 2008—
   Referred to Main Committee ................................................................. 11817
Evidence Amendment Bill 2008 ................................................................. 11817
Transport Security Amendment (2008 Measures No. 1) Bill 2008 .......... 11817
National Measurement Amendment Bill 2008 ........................................... 11817
Australian Curriculum, Assessment and Reporting Authority Bill 2008..... 11817
Tax Laws Amendment (Education Refund) Bill 2008—
   Returned from the Senate ................................................................. 11817
Migration Legislation Amendment (Worker Protection) Bill 2008—
   First Reading .................................................................................. 11817
Water Amendment Bill 2008—
   Consideration of Senate Message .................................................... 11817
Families, Housing, Community Services and Indigenous Affairs and Other
Legislation Amendment (Emergency Response Consolidation) Bill 2008—
   Consideration of Senate Message .................................................... 11817
Fair Work Bill 2008—
   Second Reading ........................................................................... 11817
Ministerial Arrangements ...................................................................... 11871
Condolences—
   Lieutenant Michael Kenneth Housdan Fussell .................................. 11871
Main Committee—
   Lieutenant Michael Kenneth Housdan Fussell—Reference .................. 11873
Condolences—
   Mr Jorn Utzon ............................................................................. 11875
Questions Without Notice—
   Schools: Computers ....................................................................... 11876
   Council of Australian Governments ........................................... 11877
   Schools: Computers ....................................................................... 11879
   Council of Australian Governments ........................................... 11881
   Schools: Computers ....................................................................... 11882
   Health Funding ............................................................................... 11882
   Broadband ..................................................................................... 11883
   Schools: Funding ........................................................................... 11884
   Broadband ..................................................................................... 11886
   Indigenous Communities .................................................................. 11886
   Economy ..................................................................................... 11887
   Infrastructure .............................................................................. 11888
   Council of Australian Governments ........................................... 11889
   Thailand ..................................................................................... 11890
   Emissions Trading Scheme ........................................................... 11891
   Climate Change ........................................................................... 11892
   Asylum Seekers .......................................................................... 11894
   Economy ..................................................................................... 11894
<table>
<thead>
<tr>
<th>CONTENTS—continued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy....................................................................................................................... 11896</td>
</tr>
<tr>
<td>Education...................................................................................................................... 11896</td>
</tr>
<tr>
<td>Questions Without Notice: Additional Answers—</td>
</tr>
<tr>
<td>Health Funding ............................................................................................................. 11898</td>
</tr>
<tr>
<td>Thailand ....................................................................................................................... 11898</td>
</tr>
<tr>
<td>Questions to the Speaker—</td>
</tr>
<tr>
<td>Main Committee ........................................................................................................... 11898</td>
</tr>
<tr>
<td>Personal Explanations ........................................................................................................ 11899</td>
</tr>
<tr>
<td>Documents ...................................................................................................................... 11900</td>
</tr>
<tr>
<td>Ministerial Statements—</td>
</tr>
<tr>
<td>Business Regulation Agreement and Small Business Initiatives .................................. 11900</td>
</tr>
<tr>
<td>National Rental Affordability Scheme Bill 2008,</td>
</tr>
<tr>
<td>Australian Organ and Tissue Donation and Transplantation Authority Bill 2008,</td>
</tr>
<tr>
<td>Dairy Adjustment Levy Termination Bill 2008,</td>
</tr>
<tr>
<td>Financial Transaction Reports Amendment (Transitional Arrangements) Bill 2008,</td>
</tr>
<tr>
<td>Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008,</td>
</tr>
<tr>
<td>Trade Practices Amendment (Clarity in Pricing) Bill 2008,</td>
</tr>
<tr>
<td>Customs Amendment (Australia-Chile Free Trade Agreement Implementation) Bill 2008,</td>
</tr>
<tr>
<td>Customs Tariff Amendment (Australia-Chile Free Trade Agreement Implementation) Bill 2008,</td>
</tr>
<tr>
<td>Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Bill 2008 and</td>
</tr>
<tr>
<td>National Rental Affordability Scheme (Consequential Amendments) Bill 2008—</td>
</tr>
<tr>
<td>Assent ......................................................................................................................... 11910</td>
</tr>
<tr>
<td>Committees—</td>
</tr>
<tr>
<td>Public Works Committee—Report ...................................................................................... 11910</td>
</tr>
<tr>
<td>Economics Committee—</td>
</tr>
<tr>
<td>Report ......................................................................................................................... 11911</td>
</tr>
<tr>
<td>Standing Orders ......................................................................................................... 11911</td>
</tr>
<tr>
<td>Water Amendment Bill 2008—</td>
</tr>
<tr>
<td>Consideration of Senate Message .............................................................................. 11913</td>
</tr>
<tr>
<td>Nation-building Funds Bill 2008—</td>
</tr>
<tr>
<td>Report from Main Committee ...................................................................................... 11935</td>
</tr>
<tr>
<td>Second Reading .......................................................................................................... 11935</td>
</tr>
<tr>
<td>Third Reading ............................................................................................................. 11936</td>
</tr>
<tr>
<td>Nation-building Funds (Consequential Amendments) Bill 2008—</td>
</tr>
<tr>
<td>Report from Main Committee ...................................................................................... 11936</td>
</tr>
<tr>
<td>Second Reading .......................................................................................................... 11936</td>
</tr>
<tr>
<td>Third Reading ............................................................................................................. 11936</td>
</tr>
<tr>
<td>COAG Reform Fund Bill 2008—</td>
</tr>
<tr>
<td>Report from Main Committee ...................................................................................... 11937</td>
</tr>
<tr>
<td>Second Reading .......................................................................................................... 11937</td>
</tr>
<tr>
<td>Consideration in Detail .............................................................................................. 11937</td>
</tr>
<tr>
<td>Third Reading ............................................................................................................. 11937</td>
</tr>
<tr>
<td>Fair Work Bill 2008—</td>
</tr>
<tr>
<td>Second Reading .......................................................................................................... 11937</td>
</tr>
<tr>
<td>Petitions—</td>
</tr>
<tr>
<td>Age Pension ................................................................................................................. 11963</td>
</tr>
<tr>
<td>Parliament: Lord’s Prayer .............................................................................................. 11963</td>
</tr>
</tbody>
</table>
CONTENTS—continued

Indigenous Communities.............................................................................................. 11963
Greenway Electorate: Old Pitt Town Road and Boundary Road................................. 11964
Cluster Munitions ........................................................................................................ 11964
Responses—
Indigenous Communities ......................................................................................... 11964
Pedestrian Crossing: Athelstone ................................................................................ 11965
Statements .................................................................................................................... 11965
Saving the Goulburn and Murray Rivers Bill 2008—
First Reading ................................................................................................................ 11968
Committees—
Migration Committee—Report .................................................................................... 11969
Migration Committee ................................................................................................... 11971
Report: Referral to Main Committee ......................................................................... 11971
Corporations and Financial Services Committee—Report ......................................... 11971
Corporations and Financial Services Committee—Report: Referral to Main Committee.................................................................................................................... 11972
Industry, Science and Innovation Committee—Report .............................................. 11972
Industry, Science and Innovation Committee—Reports: Referral to Main Committee.................................................................................................................... 11973
Foreign Affairs, Defence and Trade Committee—Report ........................................... 11973
Delegation Reports—
Australian Parliamentary Delegation to Croatia and Bosnia and Herzegovina .......... 11976
Australian Parliamentary Delegation to Papua New Guinea and Timor-Leste .......... 11978
Adjourment—
Australian National Academy of Music ..................................................................... 11981
Death Penalty ............................................................................................................... 11982
Child Care ..................................................................................................................... 11983
Education ....................................................................................................................... 11985
Cowper Electorate: North Coast Area Health Service................................................. 11986
Vietnamese Australians ............................................................................................... 11987
Australian National Academy of Music ..................................................................... 11988
Notices ............................................................................................................................ 11990
Main Committee
Nation-building Funds Bill 2008 ...................................................................................... 11991
Nation-building Funds (Consequential Amendments) Bill 2008 ................................ 11991
COAG Reform Fund Bill 2008—
Second Reading .......................................................................................................... 11991
Business—
Rearrangement............................................................................................................. 12028
Ministerial Statements—
Economy ......................................................................................................................... 12029
Statements by Members—
HMAS Armidale ............................................................................................................. 12047
Swiftsure Regatta .......................................................................................................... 12047
Wivenhoe Dam: Water Recycling ............................................................................... 12048
Mr Bill Jakobssen ......................................................................................................... 12048
Millennium Development Goals ................................................................................... 12049
4th Annual State Conference for Primary Health Care, Research, Evaluation and Development ........................................................................................................... 12049
Red Frogs Australia ..................................................................................................... 12049
CONTENTS—continued

Mr Bill Smith................................................................................................................ 12050
Swan Electorate: Fraser Park........................................................................................ 12050
Mr Alby Burgin ............................................................................................................ 12051
Postal Services: Jewellstown Plaza .............................................................................. 12051
Private Members’ Business—
Citizen Military Forces................................................................................................. 12051
World AIDS Day .......................................................................................................... 12058
Murray-Darling Basin Management Plan.................................................................. 12067
Grievance Debate—
Swimming Pool Covers............................................................................................ 12074
Dunkley Electorate: Roads.......................................................................................... 12074
Infrastructure................................................................................................................ 12077
Mr Petro Georgiou........................................................................................................ 12079
Mr Petro Georgiou........................................................................................................ 12081
Self-Funded Retirees ................................................................................................... 12081
Infrastructure............................................................................................................... 12083
60th Anniversary of the Signing of the Universal Declaration of Human Rights ...... 12086
Questions In Writing
Kimberley Region—(Question No. 368)....................................................................... 12089
Australian Federal Police Redundancies—(Question No. 382)................................. 12089
The SPEAKER (Mr Harry Jenkins) took the chair at 10.00 am and read prayers.

MAIN COMMITTEE

The SPEAKER—I advise the House that the Deputy Speaker has fixed today at 11 am as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

Private Members’ Motions

The SPEAKER—in accordance with standing order 41(h), and the recommendations of the whips adopted by the House on 26 November 2008, I present copies of the terms of motions for which notice has been given by the members for Maranoa, Melbourne Ports and Riverina. These matters will be considered in the Main Committee later today.

NATION-BUILDING FUNDS BILL 2008
NATION-BUILDING FUNDS (CONSEQUENTIAL AMENDMENTS) BILL 2008
COAG REFORM FUND BILL 2008
Referred to Main Committee
Mr PRICE (Chifley) (10.01 am)—by leave—I move:
That the bills be referred to the Main Committee for further consideration.

May I point out to all honourable members that this motion enjoys the support of the Chief Opposition Whip, the honourable member for Fairfax.

Question agreed to.

EVIDENCE AMENDMENT BILL 2008
TRANSPORT SECURITY AMENDMENT (2008 MEASURES No. 1) BILL 2008
NATIONAL MEASUREMENT AMENDMENT BILL 2008

AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY BILL 2008
TAX LAWS AMENDMENT (EDUCATION REFUND) BILL 2008
Returned from the Senate
Message received from the Senate returning the bills without amendment or request.

MIGRATION LEGISLATION AMENDMENT (WORKER PROTECTION) 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.

WATER AMENDMENT BILL 2008
Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

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

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

FAIR WORK BILL 2008
Second Reading

Debate resumed from 25 November, on motion by Ms Gillard:
That this bill be now read a second time.

Mr KEENAN (Stirling) (10.05 am)—I rise to discuss the Fair Work Bill 2008. This
The bill was introduced last week by the Deputy Prime Minister. I see that the government have devoted the whole week to this debate, and I expect that they are going to engage in extended mutual backslapping and self-congratulation. But, whilst the House will spend the week debating workplace relations, it is only this side of the House that will actually address the central issue in this portfolio—that of job security.

I fully expect government members to echo the Deputy Prime Minister in their approach to this bill and in their approach to this policy area—an obsession with workplace regulation and the role of unions within the system and a callous indifference to Australians who have recently become unemployed or who will be made unemployed over the next two years. Just as Australians understand that the Labor Party stands for deficits, they also understand that Labor stands for unemployment. The Deputy Prime Minister risks becoming the empress of unemployment.

Twelve months into the Rudd-Swan government, we see the Labor Party reverting to type. After inheriting the best economic situation of any incoming government in Australia’s history, they have comprehensively begun to squander this legacy. We see it in the discussions this week about the deficit. They have managed to take a $20 billion surplus and, within 12 months, they have begun softening up the Australian people for further budget deficits.

And so it is on the employment front. The government has inherited the best situation of any incoming government in Australia in the past three decades—a situation of practically full employment. When the government changed in 1996, when the legacy of the Keating government was one of mass unemployment, who would have thought that by 2007 Australia would find itself in that situation? I want to take a few moments to remind the House of the previous government’s legacy on jobs, participation and employment, because it is the best legacy of any Australian government in the past three decades. I want to go into some detail about this legacy, because it is now the Rudd government’s to squander. Between March 1996 and November 2007, more than 2.2 million jobs were created. Of these, over 1.1 million were full time and almost 950,000 were part time. As of November 2007, 10.6 million Australians were in work—a record high. Over 7.6 million are now in full-time employment and three million are in part-time employment. The unemployment rate in October 2007 was an astonishing 4.3 per cent, which was a 33-year low. In December 2002, under the Keating government, the unemployment rate in Australia peaked at 10.9 per cent, which left one million Australians out of work.

The number of long-term unemployed in August 2007 was 66,700. One of the proudest boasts of the Howard government is that it slashed long-term unemployment by two-thirds—the number of very long term unemployed stood at 33,500 in August 2007. The number has fallen sharply, by 138,100, since its peak in November 1993. As I said, the long-term unemployed are of course the most difficult people to get into work. Whilst these 2.2 million jobs were being created there was an increase of almost 21 per cent in real wages. This compares to the 1.8 per cent decline in real wages under the Keating government. In real terms, average equivalised disposable household income was 10 per cent higher in 2005 than it was two years previously and 34 per cent higher than when the Howard government came into office.

At the nadir of unemployment, during the Keating government, in February 1991 the retrenchment rate was 6.5 per cent. It fell to 4.6 per cent in February 1996, when the Howard government took over. Since that
time, the retrenchment rate has continued to decline. It stood at 2.2 per cent in the year to February 2006. Consequently, retrenchments were 59 per cent lower under the Howard government than they were under the Keating government in 1991. During this time, whilst these jobs were being created and whilst retrenchments were declining, the participation rate reached a record high of 65.2 per cent under the Howard government, compared to a rate of 63.5 per cent when the Howard government came to office in 1996. The participation rate of Australian youth— that is, people aged between 15 and 24— ranks second highest amongst OECD countries. The female participation rate is 57.6 per cent, well above the 53.7 per cent rate in March 2006, when the government changed. The number of working days lost to industrial action has also markedly declined. The number of working days lost per 1,000 employees has fallen from a high of approximately 105 in December 1992, when Labor was in government, to 80, the lowest quarterly rate ever recorded by the ABS.

I want to comprehensively highlight this legacy, because it is a legacy the new government can either protect or destroy. The Howard government has an unparalleled economic legacy, and its stunning success in creating jobs and lifting the standard of living through real wage increases is perhaps the most impressive aspect of this economic legacy. Yet we are now seeing the new government beginning to reverse all of these gains, and the opposition is deeply concerned that the Fair Work Bill will accelerate this slide. We have been left in a position where we have no choice but to accept government assurances that they have done their basic due diligence on this piece of legislation. No information has been made public on the likely effects of these changes on employment, industrial action, productivity or any other economic indicator. It is unclear that the government have undertaken any analysis, as you would expect them to do on such a major policy change in the way our labour market operates.

Extraordinarily, the government have exempted themselves from their own requirement to provide a regulatory impact statement. The Minister for Finance and Deregulation outlined these requirements in the House just six months ago, but the government have completely ignored them in framing this piece of legislation. When the Minister for Employment and Workplace Relations has been asked in the media about the effects of her industrial relations changes, she has refused to answer questions about what advice has been sought. Her response is along the lines of, ‘We understand the effects of our policies,’ yet it is not clear whether this understanding is based on rigorous analysis or just a hunch.

There is an emerging government pattern in all of this, and we saw it again over the weekend with the Council of Australian Governments announcements. They spend money and they quote a figure as to how many jobs that spending is going to create without providing any justifying information whatsoever. Take the case of the COAG announcements over the weekend. In the case of those COAG announcements, they said that extra spending was going to create 133,000 jobs. Take the economic stimulus package, with $10.4 billion spent: there was the announcement that accompanied that funding, saying that an extra 75,000 jobs would be created. Again there was absolutely not a shred of credible analysis to back this up. It does not automatically follow that extra government spending will lead to job creation. Poor labour market regulation can make any extra spending redundant. But of course the opposition has been left with no choice but to take the government on trust that these laws will not contribute to unem-
ployment or have wider negative impacts on the economy.

It is clear from the legislation that, far from implementing the ALP’s workplace relations policy as announced by the ALP in the lead-up to last year’s election, this bill goes way outside of that policy on several very important fronts. In some cases, such as compulsory arbitration and pattern bargaining, the minister has completely reversed what Labor said the new government would do. These backflips are without a doubt the worst aspects of this bill. I want to highlight some of the areas where the minister has gone against the commitments that she made prior to the last election and indeed the commitments that she continued to make right up to just before this legislation was introduced. Take the issue of compulsory arbitration. Right from the outset, when the Labor Party announced their policy last year, compulsory arbitration was ruled out. On 30 May 2007, in a speech to the National Press Club, the minister said it was completely untrue that Labor’s new body, Fair Work Australia, would re-empower union bosses and introduce both compulsory arbitration and centralised wage fixing. She went on to say:

Under Labor’s policy there is no automatic arbitration of collective agreements. Our policy clearly states that no one will be forced to sign up to an agreement where they do not agree to the terms.

Later on in that year, in September, the minister was asked a direct question: would compulsory arbitration be part of the Labor system? The minister responded:

As we’ve said in our policy … there are a very limited number of circumstances where you need the industrial umpire to step in and resolve a dispute.

She went on to say:

… in the ordinary course people who are collectively bargaining at their enterprise level, all of that bargaining will happen at the enterprise level, they will either strike an agreement or not strike an agreement.

In other words, she was saying that it would be left up to the parties to make a judgment. Later on, again in a speech to the National Press Club, on 17 September 2008, the minister said very explicitly:

Compulsory arbitration will not be a feature of good faith bargaining.

This breach of faith as to the policy that was announced and the commitments that were consistently made later on in the year is perhaps the most outrageous of the government’s broken promises evident in this bill and it was done in the most blatant way to appease the union movement. Compulsory arbitration was ruled out in ALP policy commitments made prior to the last election, and the Deputy Prime Minister consistently ruled it out right up until 17 September this year. Then, just before this policy was announced, the minister backflipped in a speech that she made in Melbourne a couple of weeks ago. We now see a proposed system in which bargaining and negotiation have the potential to end with an adversarial and arbitrated outcome.

This is only one of several significant policy backflips that the minister has made. On union rights of entry, a fundamental part of the industrial relations system, the minister and the Prime Minister were at pains to point out, prior to the last election, the following. This is what they said in a joint press release:

Federal Labor will maintain the existing right of entry provisions. Right of entry rules remain.

Later on, at a press conference on the day of the press release, the minister confirmed that, saying:

We will make sure that current right of entry provisions stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.
Again, after the election, the minister confirmed this was still ALP policy. In a speech to Master Builders Australia on 28 May this year, she promised ‘to retain the current right of entry framework’ and went on to say that this promise ‘will be kept’.

What we find now is that, whilst cosmetically the right of entry provisions are being retained, once you look at the detail you see this is a complete misnomer. As with most of the minister’s promises, you need to actually look at the detail. When you do, it inevitably exposes deceit. When you read the detail of the right of entry provisions contained within this legislation, you see the actual effect is to give the unions the best organising conditions they have enjoyed for decades, a point apparently confirmed by the minister in the ALP caucus when she was discussing this bill. Unions can now enter a workplace that uses non-union collective agreements, whereas before they could not. One or several unions can now enter workplaces where they use an agreement made with another union, where before they could not. Unions can now access non-union-member records, where before they could not. This is of course quite extraordinary. Unions can walk into any workplace, even when they have no members in that workplace, where before they could not. Restrictions on where unions can hold meetings have been loosened. Unions can now bargain with an employer about right of entry, where before they could not. Unions are now default bargaining agents, where before they were not. Unions are likely to be automatic parties to most new enterprise agreements, where before, under the old system, they were not. Unions get an automatic and privileged seat at the bargaining table, with disproportionate powers, where before they did not have these. Restrictions on who can go to the industrial umpire, Fair Work Australia, favour those represented by a union. So how can the government genuinely assert that this bill retains the previous right of entry provisions when, in looking at its detail, you see it favours paying off Labor’s debt to the union movement?

There are only a handful of measures left in this bill that will allow a workplace to keep unions out where they are not wanted. The same has been done with arbitration and right of entry. The same has been done with pattern bargaining. Previously in Labor’s policy and subsequently throughout this year, the minister ruled out that this legislation would contain a return to pattern bargaining. Indeed, the minister was asked during a doorstop on 1 May 2007, ‘Is pattern bargaining going to be a reality under your policy?’ The minister responded:

That is completely untrue. Pattern bargaining, in the sense of having industry-wide action, is unlawful under Labor’s Forward with Fairness plans.

She reconfirmed it on 30 May 2007:

Pattern bargaining is a term used to describe bargaining across the whole industry. That’s not what Labor’s policy is about.

Later on in the same year, she made a speech to CEDA and said:

The Minister and the Government— of course, this goes back to the previous government—will make all sorts of silly claims about Labor’s system. That it’s about centralised wage fixing and arbitration—it’s not. That it allows for pattern bargaining—it doesn’t.

She reconfirmed on The Today Show prior to the last election. She issued press releases saying that Labor will make pattern bargaining impossible. This has been reconfirmed by other ministers. The finance minister confirmed to The 7.30 Report earlier on this year:

We do not accept that pattern bargaining is legitimate.
Yet, in this legislation, we see a significant U-turn on pattern bargaining. Again, it has been disguised and hidden within the detail in the same way as union right of entry. You always need to look at what this minister does as opposed to what she says.

Special bargaining provisions contained within this bill allow for pattern bargaining by another name and will have the dangerous effect of creating artificial wage outcomes and reducing the relevance of the safety net. This will damage small businesses and those workplaces that rely on the safety net as a source of employment conditions, and it will force them into bargaining against their will. The end result of this is that it costs jobs, it costs time and it reduces genuine productivity. A return to pattern bargaining by stealth is indeed a dire outcome for Australian workplaces, particularly as Labor presides over the lowest level of business conditions in 14 years.

Another free kick that is gained by the union movement within this legislation is that the unions are allowed to demand bargaining fees from non-union members. The rights of non-union members to have their own voice in the bargaining process are now vastly limited. In some circumstances, they may be forced to pay for the right to not be a union member. How this is genuinely moving forward and how this is fair is anybody’s guess.

On the transmission of business rules, a very important part of workplace relations on which the government remained mute prior to the last election, we find they have slipped in another provision that is anti jobs and anti growth. Employers who now buy a business with employees will also be forced to buy the agreement that covers those employees. This is a change from the previous system. There will be no option to create a new or more appropriate agreement, regardless of the state of that business. So when you buy an agreement with inefficient or uncompetitive employment practices, you are completely stuck with it. Of course, this may compel some potential purchasers not to take on the employees who will pose an impediment to business sales and acquisition. Basically, you will not be able to sell a business that has these uncompetitive arrangements. This business will ultimately just have to go to the wall. This legislation will not give you the option that was available under the previous legislation where a new owner could come in and restructure and make the company competitive again.

As we have announced in the past, we will not oppose the passage of this bill through the House but we do reserve the right to make amendments in the Senate after the Senate committee has conducted a full inquiry. We will make amendments where we believe that we can improve this bill. We are particularly concerned about some of the areas I highlighted, where the government has gone well outside the mandate that was granted to them by the Australian people at the last election. We urge all parties with an interest in this legislation to make a submission to the Senate inquiry.

We have been required to make our decision not to oppose this legislation in the House without the depth of information that you would expect when you come to judge a reform of this nature. Of course, it is going to be very easy to judge the effects of this legislation over time. You can do it very simply by looking at things like the unemployment rate. Has the unemployment rate fallen or has it risen? How many Australians are now in work? Have the drivers of growth—small and large businesses—been given the confidence and the tools they need to employ people with certainty? Ultimately, of course, they are the drivers of employment growth. Is the Australian economy losing more or fewer days to industrial action? When Aus-
Can the government guarantee that this bill will not cost jobs and will not lead to increased levels of disputation in Australian workplaces? How can the government guarantee that this bill will actually improve productivity and employment growth? And, most relevantly, can this government keep control of the union bosses now that this bill has given them a new privileged position and disproportionate powers and access to Australian workplaces?

The worst possible employment outcome for any single Australian is that they cannot find a job or that they will lose the job that they have. Yet we are discussing a major change to the workplace relations legislation without one skerrick of analysis as to whether this bill will make that outcome more or less likely for average Australians. The impressive Howard legacy that I outlined at the beginning of my speech is at stake when it comes to changing our workplace relations system. From this moment forward, the government must take absolute responsibility for the changes that it makes, and it must take absolute responsibility for any subsequent rises in unemployment.

Mrs D’ATH (Petrie) (10.31 am)—I rise to proudly support the Fair Work Bill 2008. The significance of this bill should not be underestimated by anyone in this country and certainly not by those on the other side of this House. For far too long this country has had industrial relations laws that are punitive. The previous government had an obsession with driving down workers’ wages and conditions, removing the basic freedom to belong to a union and ensuring inequality in bargaining.

We have heard from the member for Stirling today. In speaking on this bill, he has accused Labor of a breach of faith and of being deceitful in not analysing the impact of this bill and not being upfront about its ef-
fects. There is no greater height of hypocrisy than that statement made by the member for Stirling when we reflect on the fact that the Howard government went to the election in 2004 with no mention of Work Choices; nor did they provide any information at all to the community about all of the legislation that they tried to push through this parliament prior to 2004 and its effects. They just waited and, upon getting the balance of power in both the House and the Senate, the Howard government took no time at all in setting about destroying 100 years of positive industrial relations laws—laws that had developed over the past century from the struggles of hundreds of thousands of workers across Australia who fought, not just in the workplace but in the courtrooms, to establish fair and balanced rights and working conditions.

When it came to the previous government there was not a single thought given to those struggles and to the legitimate consideration given through lengthy test cases and legal arguments over many years to establish the laws and legal authorities that evolved. This was a government so obsessed with their ideology and their absolute dislike of unions—which, ironically, never extended to employer unions—that they would do anything to achieve this aim. It appears that, in the eyes of the opposition, it is okay to be a member of an employer union but not of an employee union.

This was a government that treated the Australian people with contempt. It ran ads during the election campaign—and we have heard it again today—trying to portray union officials as people that should be feared, when in fact what workers want and should have a right to is simple equality. If an employer is able to have their employer union official, a consultant, a solicitor or a barrister representing their business at the workplace during a meeting with an employee, why shouldn’t that employee equally have the right to have their union official representing them?

The Howard government and the members now in the opposition treated the Australian people like fools during the election in 2007. The then member for Petrie even attempted to slur my name with comments and letters reminding people that I am one of ‘those union officials’ and consequently I should be feared. The Australian people saw through this facade for what it was: a desperate attempt to hold onto government so that they could not only hold on to their extreme industrial relations laws through Work Choices but have the opportunity to take them much further. We heard in 2006 that the person who wanted to be Prime Minister but was never quite up to the task of trying to take the job, the member for Higgins, wanted to take the unfair dismissal laws much further. If it was not offensive enough to have the majority of workers across the country excluded from any independent recourse from unfair dismissal, the member for Higgins, in speaking on the limit of 100 or fewer employees, stated that this was no magic number and that in future he would like to see all businesses excluded.

The Australian public should not assume that because John Howard is gone—and the member for Higgins should be—the remaining opposition are now fair work supporters. This is a party that, although devoid of policy and sincerity, is steeped in an underlying belief that workers should have to fend for themselves in dealing with their employer and negotiating their wages and conditions. Even before Work Choices, when AWAs were required to meet a no disadvantage test which was enforced by the Office of the Employment Advocate, that office failed on many occasions to ensure the test was met. As a consequence of the introduction of Work Choices, many workers had AWAs thrust upon them with no safety net in place.
at all. These agreements were able to override all of the workers’ existing conditions of employment.

This House has heard many examples from the Deputy Prime Minister and Minister for Employment and Workplace Relations, Julia Gillard, over the past 12 months about the significant disadvantage that workers have suffered as a consequence of inferior AWAs lawfully allowed under those extreme laws. We had unfair dismissal rights restricted so much that the majority of businesses across the country could dismiss workers without reason. We had a bargaining system where no assistance could be sought from an independent body to resolve issues unless the employer and employee agreed—which, not surprisingly, many employers did not.

This new Fair Work Bill stands in stark contrast to the Work Choices legislation and the laws that came before it. This is not just a bill to deliver fair and just industrial relations laws in Australia; it is a bill for the future. It delivers fair rights and protections at the same time as placing reasonable obligations on employers, workers and unions. This bill will assist in increasing productivity growth through job security and ensuring that workers are valued for the work that they do. This bill also provides rights for employers and the flexibility needed for a strong, robust economy where businesses are required to be competitive not just nationally but globally.

For too long, Australia has had industrial relations laws federally that undermine the intent of Australia’s forefathers: a strong and fair democratic system and that our industrial relations laws be a positive piece of legislation that provides positive rights and obligations on parties. Despite the complexities of the Work Choices laws, there is one simple example of how far our country had strayed from our ideal of a fair and just society. In 1916 Queensland saw its first unfair dismissal case. The gentleman seeking review was a sewage transport worker with Maryborough City Council. Through his union at the time he sought to have his dismissal reviewed by the then Fair Treatment Tribunal. His case was upheld. In 2006, under Work Choices, a worker in the same position, along with many other workers across the country, would not have had such a right. This means that 90 years on from the first case in Queensland, workers in Australia had less rights than in 1916. Australia should be ashamed of this fact. Australians across this country understood this in 2007 and wanted to correct this blight on our reputation and the attack on their basic rights. That a government would put its ideology before basic rights in the workplace is a sad indictment on the Howard government. The legacy that it left was not one to be proud of, despite the member for Stirling’s comments today.

Even before Work Choices was introduced, the previous government sought to systematically undermine the rights of workers in this country through the introduction of the Workplace Relations Act 1996 and its ongoing attempts on no less than 12 occasions over the past decade to continually erode any element of fairness. It is important that people across Australia were informed of what their government was doing to them and the long-term affects those decisions would have, not just on them, but also on their children and their grandchildren. That is why the Your Rights at Work campaign was such an important initiative. I would like to acknowledge and thank the union movement for their effort to lift the awareness of the effects of Work Choices on Australian workers and to see these laws removed from the Australian landscape forever. I know that this campaign was supported not just by unions but also by the community as a whole, by
businesses, small and large, and by many other organisations across Australia.

Many employers spoke to me about the fact that they believed Work Choices had gone too far. On 24 November 2007, the Australian people ensured that the Howard government and all of its members and candidates who supported Work Choices got the message loud and clear, although I do query, having listened to the member for Stirling this morning, whether they heard that message at all. Once again, we hear the member for Stirling standing here today in this chamber saying that they are forced to agree to the Fair Work Bill by the government. No acknowledgement that it was the Australian people who came out and said, ‘We do not want these laws.’ No acknowledgement that workers across this country did not want these laws. Not one reference to Australian workers in the speech by the member for Stirling or an acknowledgement that these workers were not satisfied with the extreme industrial relations laws of the Howard government.

The reason this bill is right for workers, businesses and the economy as a whole is spelt out in its terms. The principle objects of the bill require the legislation to be applied in a balanced framework for cooperative and productive workplace relations that promote national economic prosperity and social inclusion for all Australians. The bill guarantees a safety net of fair, relevant and enforceable minimum terms and conditions for Australian workers that can no longer be undermined by the making of statutory individual employment agreements of any kind. The bill ensures freedom of association and recognises that employees have the right to be represented at work by a union. These objectives will be applied by a new, independent body established to enforce the positive rights and obligations that are prescribed therein in a fair and just manner. The new body will be known as Fair Work Australia.

This bill will provide the right for an independent body to review a decision of an employer to terminate an employee’s employment where that employee genuinely believes that the dismissal has been harsh and unreasonable. Of course, under this bill, employers are also given adequate time to ensure that any new employee is suited to the work required and to the business through a probationary period of 12 months for small business and six months for all other businesses. This will give employers a reasonable period of time to train and assess a person’s performance and ability to perform the work before any right to unfair dismissal can arise.

On too many occasions since the introduction of Work Choices did I have to hear direct accounts by individuals of their unfair dismissals, only to feel their frustration and despair knowing that these people have no protections from that action. I remember a solicitor phoning me in mid-2006 requesting advice, as I was the senior industrial advocate of a union at the time. This particular solicitor was not familiar with this area of law. This solicitor told me about his client who had just been dismissed after 16 years of employment. This employee had never been questioned or disciplined about conduct or performance. The only change was that a new supervisor had recently taken over and did not seem to take a liking to the long-term employee. The solicitor asked me what action was available to the employee. After clarifying that the employer was covered by Work Choices and the size of the workforce was approximately 60 employees, I advised the solicitor his client had no rights. This solicitor then proceeded to run a logical argument that the employee had been given no reasons for the dismissal and, upon the employee asking why he had been dismissed,
was simply told by the employer they did not have to give a reason. As such, no procedural fairness was provided to this employee at all. I once again told the solicitor his client had no rights. This solicitor was absolutely amazed that this was in fact the current law. This disbelief was unfortunately felt by many employees dismissed without reason.

This bill, the Fair Work Bill, will ensure that the right to fair treatment in relation to the termination of employment will be protected at law. The process has also been improved, with both parties having access to a simple, streamlined, unfair dismissal claim process through Fair Work Australia. In addition, this bill provides for a fair and reasonable safety net of wages and employment conditions that cannot be stripped away. The safety net will be outlined in the National Employment Standards and through modern awards. The Australian public wanted to ensure that any new system had at its core basic wages and conditions that could not, under any circumstances, be reduced. Julia Gillard and the Rudd Labor government have delivered on this promise. All future enterprise agreements must be negotiated with the explicit requirement that the terms and conditions leave the employee better off overall than they would have been compared to their respective awards. The importance of ensuring such a test exists was never understood by the Howard government, and they stripped away that protection. Even in the dying days of the Howard government, when they sought to throw together a safety net test, they never truly intended to provide protection to retain the important rights of workers. It was simply a smokescreen to try and bluff the Australian public into thinking that they actually now cared. Of course, we all know that that was not the case.

This Fair Work Bill will deliver where the Howard government stripped away. The new bargaining system will ensure that businesses and workers can have the flexibility needed to keep competitive and deal with the pressures on working families. It will ensure that assistance can be given when it is needed, without unnecessarily interfering with the bargaining process or the rights of parties to negotiate their own terms of the agreement. Under the general protections prescribed in the bill, workers will have the right not only to belong to a union but to be represented. Workers will be able to meet to discuss workplace issues with their union official without their employer intimidating them.

I congratulate the Minister for Employment and Workplace Relations, Julia Gillard, and all of the ministerial staff and departmental officers who worked tirelessly to see this bill introduced 12 months on from the Rudd government coming into office. Although it has been difficult for workers to wait for the new laws to be introduced and for Work Choices to finally be condemned to the dustbin, it was extremely important that the government got this right—that is, that this bill is workable and reasonable and that it will provide a strong industrial relations system for the nation into the future. This bill does that and more. I am proud to be an elected member of this parliament and to be part of the Rudd Labor government, which is delivering on its promises to the Australian people. I commend this bill to the House.

Dr SOUTHCOTT (Boothby) (10.46 am)—Whatever people think about the Howard government, one thing that no-one disputes is that jobs and the creation of jobs were at the centre of the Howard government’s mission. When the Howard government came to office in March 1996, unemployment stood at over eight per cent. When it left, unemployment was down to 4.3 per cent and it fell in February this year to below four per cent. These were the lowest unemployment rates we had seen since November 1974. It had taken 33 years for unemploy-
ment rates to return to the levels Australia enjoyed before stagflation and the Whitlam government ripped a hole in the Australian economy.

I am very proud of the Howard government’s record on jobs. There were 2.2 million jobs created; 1.2 million of those were full time. Unemployment fell from 8.1 per cent to 4.3 per cent. The teenage unemployment rate by 2008 was half what it was in 1992. During this time, there was a 20.8 per cent increase in real wages compared with the performance of the previous Hawke-Keating government, where there was actually a fall in real wages. The participation rate was over 65 per cent when the Howard government left office, the highest it had ever been. The female participation rate had increased during that period to again be the highest it had ever been. Every year we used to hear from the Australian Bureau of Statistics that industrial disputes were the lowest since statistics were first collected, in 1913. They were the lowest on record.

How pleased we in this parliament would all be if the Rudd government, when it finished its time in office, had anything like that track record. Sadly, on the evidence before us, it seems that we will be looking at a very different picture. The most recent forecast from the OECD is that there will be 200,000 more Australians out of work by 2010. We have any number of forecasts—from the Treasury, the Reserve Bank and a whole range of economic analysts—that unemployment will rise. Those forecasts put the unemployment rate by 2010 at between 5.75 per cent and 8½ per cent. Ultimately, what the Rudd government will be judged on is its performance in the area of jobs. It will be judged on its performance in the area of job creation and it will be judged on its performance in keeping Australians in jobs.

The opposition accepts that Labor has a mandate for industrial relations reform. To anyone who has not got the memo, Work Choices is dead. Campaigning in my own seat about 18 months ago, I had a conversation with a bloke about my age. He said, ‘Look, I think you’ve done a good job but you’ve gone too far on Work Choices.’ That view would have been reflected by people who voted for the Howard government in 2004 and then voted for Kevin Rudd in 2007. The opposition’s message is: ‘We want you back. We want you back and we want your support.’ We do recognise that Labor has a mandate for industrial relations reform.

The important thing in workplace relations is that we have a model which is adaptable and which suits the times, to help our businesses compete in the global arena. We need to have a workplace relations framework which fosters a mutually beneficial employer-employee relationship and ensures that flexibility is afforded to both employee and employer. It is absolutely critical that we safeguard the flexibility provisions from previous industrial relations reforms. This is absolutely critical to creating jobs, to providing job security and to ensuring that Australia is able to remain competitive in the future.

Over the last 20 years there have been a number of reforms to industrial relations, and all of these reforms have been premised on economic necessity. The reforms of 1988, 1993, 1996 and 2005 were all premised on the importance of providing flexibility, but also on the fact that there would be an economic dividend there. The dividend would be an increase in productivity, improved employment growth and reduced unemployment. It was one of the weaknesses. To give credit where credit is due, it was recognised by the Labor Party, as it was recognised by the Liberal and National parties, that the first steps towards enterprise bargaining were
begun in 1988. It was a recognition that, while the Accord had kept wages down and had some impact on providing downward pressure on inflation, it had not led to improvements in productivity. So the feeling was that we needed a more decentralised system and that there would be an economic dividend from this.

The thing that I find surprising in this legislation is that there seems to be a deafening silence about what the economic dividend from this legislation would be. I would love to know what the Treasury analysis is of this legislation—whether it will increase, decrease or keep employment the same; whether employment growth will increase, decrease or remain the same; whether labour productivity will increase, decrease or remain the same. These are very important things that we, the parliament, should know and that the Australian people should know as well. What is the Treasury analysis of this legislation and what will be its impact? Does it improve our economic performance, does it detract from our economic performance or does it make no difference? There is complete silence on this, and as a member of the opposition I would be very interested in having a little bit more information about the economic analysis of these laws, because what we need in industrial relations is to have a framework that will stimulate productivity, stimulate economic growth and encourage and foster the creation of jobs.

As I said before, the Howard government had a strong record on jobs. Labor’s record on jobs is not a happy one. The Hawke-Keating period and the Whitlam period were not happy periods in terms of job creation and in terms of the unemployment legacy and the human cost that comes with that. We are now seeing evidence that we may be returning to a period of higher unemployment, after having had a period of falling unemployment and lower unemployment. The latest OECD economic outlook has forecast that 200,000 Australians will lose their jobs by 2010. This is why it is absolutely critical that the government has a comprehensive plan to do all it can to provide job security and certainty to working Australians. We are seeing large lay-offs from well-known Australian companies on a daily basis. Since 25 November last year there have been more than 20,000 workers who have lost their jobs in mass redundancies. So in speaking on this bill I want to say that job security is paramount. We need also to ensure that labour market flexibility is maintained. We cannot afford to see a return to pattern bargaining. We cannot afford to see a return to widespread industrial action. Already the signs are disturbing. On industrial disputations, the number of disputes has increased eightfold since the Rudd government came to power.

Labor has not announced a comprehensive plan to provide job security for Australian workers. What we need to know is that this reform and this bill do not have a detrimental effect or impact on reinvigorating the economy. To date we have had the tax changes which were based on our policy at the election. They will increase the number of jobs by 65,000. We do not dispute that; it is the same figure that we provided. The tax cuts will increase jobs by 65,000. The economic security package will increase the number of jobs by 56,000—that is what we have been advised. As a result of the meeting of COAG last weekend there will be an increase in jobs—it will create 133,000 jobs. I just find it curious that on the subject of the whole framework of our workplace relations the government is completely silent on jobs and what the impact on jobs will be.

In closing, I would like to read what Paul Kelly said in the Weekend Australian. He said:

... the Government will be responsible for all the consequences of imposing on Australia at a time
of unusual financial crisis a workplace relations system that means higher costs, a weaker labour market, a more interventionist umpire and a union movement with greater legal powers.

That goes to the heart of my concerns, which relate to jobs. That should be the concern of all members of this House. We should be doing all we can to create jobs, especially when it is very clear that we are approaching a softer labour market and a period of higher and rising unemployment. As an opposition we need to have all the evidence before us in terms of the economic impact and the Treasury analysis of this legislation.

Mr SYMON (Deakin) (10.59 am)—It is with great pleasure that I rise to speak in support of the Fair Work Bill 2008. This bill delivers on the promise that Labor took to the people at the 2007 election, when we promised to rip up Work Choices if elected, in our policy statement Forward with Fairness. Work Choices was foisted on the Australian people by John Howard and many Liberal Party members who remain in parliament to this day—former workplace relations ministers such as the member for Warringah, the member for Menzies and the member for North Sydney. And how could we forget the member for Higgins smirking away as he voted to rip off working people’s wages and conditions? These people got to vote on Work Choices; the Australian people did not get their chance until two years later. That is the gist of this story. Work Choices was not mentioned by the coalition at the 2004 election. There was not a single word about ripping off workers’ rights and conditions—no safety net, no rights at work, no cooperation in the workplace to take the nation forward. The ACTU Your Rights at Work campaign, however, made sure that this did not occur in silent acceptance. On national TV and in electorate after electorate, the Your Rights at Work team made sure the public knew what had been done to them by the Howard government and rightly called for a change. Today, just over a year on from our election, the Rudd government are delivering these promises to the Australian people.

The essential points of the Fair Work Bill are based upon the principles of fairness. The bill balances the interests of employers and employees and the granting of rights and the imposition of responsibilities in various industrial instruments. Most importantly, the Fair Work Bill delivers a fair and comprehensive safety net of minimum employment conditions that cannot be stripped away. These protections start with the National Employment Standards, which provide minimum standards for all employees. Unlike Work Choices, which only provided five minimum standards, the minimum standards in the NES relate to maximum weekly hours, requests for flexible working arrangements, parental leave and related entitlements, annual leave, personal leave, carers leave and compassionate leave, community service leave, long-service leave, public holidays, notice of termination and redundancy pay. The second part of the safety net is the modern award. Modern awards are currently being developed by the Australian Industrial Relations Commission for employees on less than $100,000 a year indexed. Modern awards will build on the National Employment Standards and will cover a further 10 subject areas, including minimum wages, arrangements for when work is performed, overtime and penalty rates, allowances, leave and leave loadings, superannuation and, importantly, procedures for consultation, dispute resolution and the representation of employees.

The Fair Work Bill guarantees a safety net of fair, relevant and, very importantly, enforceable minimum terms and conditions for Australian workers. These minimum terms and conditions can no longer be undermined.
by the making of statutory individual employment agreements, such as the much hated Australian workplace agreements that many employees were forced to sign as a condition of acceptance for a job offer. Who can forget the case of the Spotlight workers, whose wages and conditions were ripped off under the Liberals’ AWAs by the enormous sum of 2c per hour, or the stories of video store workers losing their protected conditions in exchange for one free video rental per week. We heard stories about service station attendants losing their accrued entitlements because a transfer of business to another employer meant they were left in the lurch and got zero. Work Choices ripped off conditions and stole wages out of the pockets of those workers who could least afford it. The Fair Work Bill provides for minimum wages in modern awards to be reviewed every year by a specialist minimum wage panel within Fair Work Australia. The minimum wages in modern awards will override any lower rates in an enterprise agreement, with the effect that, if an enterprise agreement is entered into and an award manages to take it over in pay scales, then the rates will follow that award. Fair Work Australia will also be required to make a national minimum wage order to provide minimum wages for all award-free employees.

The collective bargaining arrangements contained in this bill are a great step forward for working people. By simplifying access to agreement making, many more workers will be able to move above the safety net minimums. With the safety net of the National Employment Standards and modern awards that provide a floor for collective bargaining, there are many opportunities for both employees and employers to improve productivity and wage outcomes. There is significant evidence that enterprise bargaining benefits employees, employers and the economy, and I, for one, would like to see more Australians benefit from it. In particular, I would like to take note of the good faith bargaining provisions that allow Fair Work Australia to make orders to ensure compliance with the good faith bargaining requirements. Firstly, the bill provides that, where an employer refuses to bargain with its employees, an employee bargaining representative, such as a union, can ask Fair Work Australia to determine if there is majority employee support for negotiating an enterprise agreement. If so, the employer will be required to bargain collectively with its employees in good faith.

Good faith bargaining requires that bargaining representatives for a proposed enterprise agreement must meet. That does not sound all that hard. This would include attending and participating in meetings at reasonable times. Again, you would think that would be a very easy process. This process also includes disclosing relevant information and responding to proposals on the table—again, a very reasonable process. Importantly, it is about giving genuine consideration to the proposals of others and giving reasons for responses to those proposals. Good faith bargaining also requires parties to refrain from capricious or unfair conduct that undermines freedom of association or collective bargaining. If Fair Work Australia issues a good faith bargaining order which is ignored by a bargaining party, the other party may apply to Fair Work Australia to intervene in the dispute and make a workplace determination. There are also provisions in the bill to cover multiemployer bargaining. Where employees and employers genuinely wish to bargain on a multiemployer basis, they will be free to do so. But, unlike the more common single-employer enterprise agreement, protected industrial action and good faith bargaining orders are not available in these circumstances. There are many situations where multiemployer bargaining already operates in a de facto form, and this
worthwhile change reflects the current reality.

Significantly, the Fair Work Bill provides a special new stream of bargaining for low-paid employees in industries such as child care, community work, security and contract cleaning. There will now be the possibility of a workplace determination in the low-paid stream in two circumstances: (1) by agreement between the parties or (2) if there is no reasonable prospect of an agreement being made. If there is no reasonable prospect of such an agreement being made, access to a workplace determination is subject to strict criteria, including that there is no enterprise agreement in place and that the employment conditions of the employees are substantially the same as those in the safety net.

All matters pertaining to the relationship between the employer and its employees, as well as to the relationship between the employer and a union representing those employees, will now be able to be the subject of bargaining. Agreements can also deal with the deduction of wages for any purpose authorised by the employee and contain terms dealing with how the agreement will operate. This means salary sacrifice and payroll deduction arrangements can be formally included in agreements, and it also allows for terms that set out how the parties agree to conduct negotiations for a replacement agreement.

The Fair Work Bill also greatly enhances dispute settlement provisions within agreements. To assist the parties in dispute settlement, Fair Work Australia will be able to exercise broad conciliation powers at the request of just one of the parties. If the parties have bargained in good faith, they will be able to walk away without having a settlement imposed on them. Where the parties agree, Fair Work Australia may also make a binding determination on the matters in dispute. In the limited circumstances where protected industrial action is occurring in a bargaining context that has a particularly negative or dangerous impact, scope will be provided for Fair Work Australia to resolve these disputes by making a workplace determination.

A new ground for Fair Work Australia will be the making of a workplace determination where protracted industrial action is causing significant economic harm to the bargaining participants or where such harm is imminent. This is only intended to apply to the small number of disputes where industrial action continues for an extended period and where the employees and the employer suffer greatly and yet the parties are so locked into their positions that there is no hope of a breakthrough in negotiations. Disputes like that that spring to mind quite readily include the Boeing dispute of recent times, where there were many workers locked out, and also the Smorgon dispute of a few years ago, which also dragged on for a particularly long time and where the Industrial Relations Commission was pretty much prevented from coming to a resolution on the process because both parties would not agree that the dispute should go to the commission.

I also highlight the section of the bill titled ‘general protections’, which incorporates the current provisions relating to freedom of association, unlawful termination and other miscellaneous protections into one section. The Fair Work Bill’s general protections ensure that employees remain free to choose to be represented by a union and, significantly, provide more comprehensive protections for those participating in collective activities such as representing other employees or bargaining. This is particularly important in the area of workplace rights as it allows an employee to make a complaint or inquiry without fear of sanction from an employer. These rights will also apply to prospective employ-
ees, and sanctions will be available where a person takes adverse action because someone exercises one of those rights. Importantly, employees with carers responsibilities will also now be protected from discriminatory treatment if they are attempting to access a workplace right such as the use of carers leave entitlements.

Under the Liberals' Work Choices, employees in any business with up to 100 workers could be dismissed for any reason or for absolutely no reason at all, without any rights to challenge the dismissal. As we well know, this unjust law was pushed through parliament as soon as the Howard government gained a majority in both houses. It is well worth remembering that Work Choices is still here right now, still ripping off workers' rights and conditions such as unfair dismissal every day. Even in businesses with more than 100 workers, many employees are denied unfair dismissal rights because Work Choices exempts employees dismissed for genuine operational reasons. Short-term casual employees, fixed term trainees—there is a whole list of them—do not necessarily get those rights, even in a large business.

Abolishing the Liberals' 100-employee exemption and replacing it with the six-month and 12-month provisions of the Fair Work Bill will allow an estimated 6.7 million employees to access unfair dismissal provisions. That is around 80 per cent of all employees and compares with a figure of 3.7 million—that is, 44 per cent—of employees who currently have access to unfair dismissal provisions. The Fair Work Bill provides a new scheme of unfair dismissal protections to ensure good employees are protected from being dismissed unfairly. Employees of a small business with fewer than 15 employees will be able to claim for unfair dismissal after they have served a qualifying period of 12 months, whilst for larger businesses the qualifying period is six months. The Liberals' 'operational reasons' will no longer be a defence to a claim of unfair dismissal as it is to this very day under the Liberal Party's Work Choices. A dismissal will not be regarded as unfair if it is for reasons of genuine redundancy.

There are of course many other areas in the Fair Work Bill where vast improvements have been made on the failed workplace relations system that is Work Choices. One of these areas is right of entry for unions to hold discussions with members or potential members in the workplace. This right can no longer be stripped away by an AWA or non-union agreement, as Work Choices allows. Another area is the removal of the reverse onus of proof in relation to industrial action, which currently requires employees to prove the workplace is unsafe, rather than requiring the employer to prove that the workplace is safe. As a basic OH&S principle, all employers should be able to prove that their workplace is safe.

The Leader of the Opposition put out a press release last week that said WorkChoices is dead and the member for Boothby repeated that line in the House this morning, but I ask the question: how long for? We have seen time after time the Liberal and the National parties vote to keep Work Choices alive in the past. What has changed now? I proudly commend the Fair Work Bill to the House.

Mr ABBOTT (Warringah) (11.13 am)—We are at the beginning of what will no doubt be a long and passionate debate on the Fair Work Bill 2008. We have just heard a contribution from the member for Deakin and there are many changes that we need to get used to, but I caution government members against too much triumphalism on this subject. I certainly accept, as indeed all opposition speakers will, that the Australian people voted against Work Choices. But it
does not follow that, because they voted against Work Choices, they voted in favour of the union movement and the ambit claims of the union movement. The Australian people, as we now clearly know, did not like Work Choices’ original abolition of the no disadvantage test, but they certainly did like the vast expansion in jobs, the massive increase in real wages and the tremendous reduction in industrial disputation that was associated with the workplace reforms of the Howard government.

I also, if I may—with the humility appropriate to a member of a defeated political party—suggest to members opposite that in the end workplace relations legislation has to be about businesses and the people who work in them. Unions are significant, but they are significant because they represent workers; they do not—or should not—have any particular rights or status that are not derived from the fact that they represent workers. The problem underlying the bill which the government now has before the House is, if I may say so, that it seems much more about the rights of unions than about the rights of workers.

Mr Deputy Speaker Bevis, as you would remember I was the workplace relations minister between 2001 and 2003. Let me reminisce for a moment about those days, when you were the shadow minister for workplace relations—and a highly competent and extremely well-informed one—and say how proud I was to preside over a system which delivered more jobs and higher pay to Australian workers. That system was based on the former government’s philosophy, which was to provide more freedom to workers and managers. The former government trusted people to appreciate the interests that they had in common. It did not pretend that there would not be clashes from time to time, but it realised that in the end Australian workers and Australian managers have the intelligence and goodwill to organise their own economic lives in ways which the previous system did not always appreciate. So we wanted to see more freedom, but we also wanted to see freedom under the law. I will again reminisce for a moment by saying that the appointment of the Cole commission into the construction industry was, if I may say so, the highlight of my time as the workplace relations minister and that the ultimate establishment of the Australian Building and Construction Commission, which has largely prevented bullying and intimidation in the commercial construction industry and has created a multibillion dollar boost to Australian production and productivity, is something which I hope will be long remembered.

The Howard government’s workplace relations changes were an important factor in the general prosperity of the last decade. Let us never forget that, whatever faults Work Choices might have had, it helped to produce the fastest jobs growth in Australian history. Between 1996 and 2007 there were 2.1 million new jobs, there was a 20 per cent increase in real wages and strikes dropped to their lowest levels on record. I note that since late November last year unemployment has started to rise, wages have stagnated except in a few key areas and, while it is off an extremely low base, the strike rate is already up six times. I am not saying that all of this is the result of the changed industrial relations climate associated with the new government or in anticipation of the workplace bill which has been brought before this parliament. My contention is that the new industrial laws will make a bad situation worse and that the last thing we should be doing, with the international financial turmoil and the prospect of severe recessions in our major trading partners, is to make it more difficult to employ and to invest, and that is precisely what this bill does. I accept that the government has a mandate to, as they say, kill Work Choices,
but it certainly does not have a mandate to make a great leap backwards to 1970.

This bill not only reverses Work Choices but betrays the spirit of the last Labor government, the Hawke-Keating government, which, to give it credit, was in its own way a great reforming government. This bill does not have the courage, insight or innovation that the former Labor government had when it cut tariffs, when it began the process of privatisation and when it deregulated the finance sector. I point out that all of those significant Hawke-Keating government reforms were opposed by the union movement. This bill, by contrast, turns back a significant reform. It not only turns back and undoes Work Choices but undoes the 1996 workplace relations changes negotiated by my distinguished friend and predecessor Peter Reith through a hostile Senate and even the 1993 legislation of the former Prime Minister Paul Keating, which was the beginning of serious workplace relations reform in this country.

The prosperity of the last decade would be unimaginable without a two-decade-long reform process undertaken in this country first by the Hawke-Keating government and then by the Howard government. Let us not forget where Australia was economically in 1983. We had had eight decades of economic stagnation associated with overregulation of our economy and with stifling of the innovation, the creativity and the sense of partnership of the Australian people, and that was reversed step by step, first by the Hawke-Keating government and later by the Howard government. What we are now doing is unravelling the process of hard-won reform.

This bill also portrays the commitment that the current government took into the election—yes, to kill Work Choices, but otherwise to govern as an economic conservative. An economic conservative solves existing problems; an economic conservative does not create new ones. An economic conservative hearkens to the best instincts of the people, not the worst ones; hearkens to a golden age, not an age of stagnation, not an age of embarrassing failure. This bill covers, as the previous speaker has outlined, a vast range of economic activities. But that is not the bill’s virtue; that is the bill’s vice, because every economic activity which is now to be regulated and controlled is economic activity which is no longer to be freely undertaken by the workers and managers of this country.

I will quickly go through some of the specific problems of this legislation. First of all, it gives unions unprecedented power to interfere in wage discussions between workers and managers. As has been repeatedly pointed out since the bill’s introduction last week, it is only necessary to have one union member in a workplace for a union to require representation in wage negotiations. Second, it gives unions unprecedented right of entry into workplaces. There is no need for a union to have a member in the workplace; it is only necessary for the union to have a potential member in a workplace for that union to be able to enter that workplace and inspect its employment records. Third, this bill imposes good faith bargaining—in exhaustive detail—on workplaces. Not only does it impose so-called good faith bargaining on workplaces but it also establishes an intrusive new body with the Orwellian title Fair Work Australia to investigate and enforce all aspects of so-called good faith bargaining in workplaces. Fourth, this bill provides for pattern bargaining for low-paid workers. This is a clear breach of election commitments and essentially means that in any industry with low-paid workers Fair Work Australia can call the shots. Whatever this is, it certainly is not what Labor promised going into the election and it certainly is not going to give Aus-
Australia and Australian workers the freedom and the flexibility needed to cope with the coming economic downturn. Fifth, and finally, it seems—and I stress ‘it seems’—that this bill does actually allow bargaining fees and, if my reading of the bill is correct, that too is a clear breach of Labor’s pre-election commitments and a way of effectively enforcing, via a bargaining fee, the closed shop on unwilling businesses and unwilling workers.

As the *Australian’s* Paul Kelly—the great chronicler of the long political reform movement in this country—has said, the last thing that this country needs on the eve of a global economic downturn is legislation of this kind. It really is the last thing that Australia needs at this time, and my fear is that this legislation will lead to, effectively, a strike by the employers of this country. This legislation will lead to small businesses downsizing or closing and it will lead to large businesses relocating overseas, because what this legislation does not comprehend is that there are really only two essential ingredients for every job: yes, you do need a worker in order to have a job but, first and foremost, you cannot have an employee without having an employer. And no-one can be forced to employ. The problem with loading up employers with the kinds of onerous and intrusive new regulations that this bill provides for is that it is going to make a lot of current employers a lot less likely to employ in the future than they have been in the recent past.

The Deputy Prime Minister and Minister for Employment and Workplace Relations, in introducing this bill, said:

… the ideal of fairness should lie at the centre of our national life.

At one level, it is a motherhood statement; who could disagree with that? But what she fails to appreciate is that fairness to one can easily be oppression to another, and it is important that we are fair to everyone in this country, or as fair as we can reasonably be. We should not have a surfeit of fairness for some people and some organisations which produces a surfeit of oppression for other people and other organisations. In all this stress on fairness, what about freedom? Isn’t that an important value as well? How much fairness can there be if there is not also freedom? Isn’t freedom just as much the birthright of Australians as fairness?

The Deputy Prime Minister does not seem to appreciate or understand that hurt and bruises are also an inevitable part of real life and that, without a certain amount of rough and tumble, you cannot also have effort, virtue and humanity. This attempt to abolish from the workplace anything that anyone associated with the union movement might find objectionable is not going to produce a better workplace and is certainly not going to produce a more prosperous Australia. It could well end up demonstrating the truth of the wise old saying: that so often the best is the enemy of the good.

Last week was at one level a great week for the Deputy Prime Minister. She acted in the Prime Minister’s stead. She performed with great aplomb and panache in this place. She more than showed up the parliamentary deficiencies of the Prime Minister last week. Of course, she introduced legislation which certainly will strengthen her position with the union movement, which continues to form the political and financial backbone of her party. But what she did last week, and what she is currently so proud of, I am confident will turn out to be the workplace equivalent of Medicare Gold, that other policy disaster that will forever be linked with her name.

The problem with the legislation that this parliament is currently debating is that it will
inflict long-term damage on the economic strength of our country, it will inflict long-term damage on the capacity of Australian businesses to employ Australian workers and it will inflict long-term damage on the capacity of Australian workers to perform at their best. The great thing about the last two decades of sustained reform is that we have seen in recent years Australia taking on the best of the world and winning, not just in sport but in business, industry and economics. My fear is that that golden era in Australia’s economic history is about to end. Thanks to this misguided legislation now before the House, legislation that goes much further than any conceivable mandate that the Labor Party might have had, the coming Rudd recession will be turned into long-term economic stagnation and permanent economic decline, which is the last thing that this parliament should be doing.

Ms ANNETTE ELLIS (Canberra) (11.33 am)—It is a pleasure to rise today to speak on the Fair Work Bill 2008. As has been said by other speakers in this debate, a little over 100 years ago Sir Justice Higgins, in response to his concern about the living standards of Australian workers, brought down the Harvester judgment, which established the first wage-fixing system in Australia. He set the minimum wage for unskilled labourers at £2 2s per week, based on the cost of living of the average worker for food, shelter and clothing. This judgment became the basis of our industrial relations system and set the standard over the next 90 years of decent living conditions and social equity for Australian workers and encompassed the Australian ideal of a fair go. The concept of a fair and decent industrial relations system came to an end when the former government introduced Work Choices.

I have to reflect briefly on a couple of comments made by the previous speaker, the honourable member for Warringah. He talked about freedom and fairness. I cannot think of anything less free or fair than the case of a 16-year-old student in my electorate. Her family came to me at the height of Work Choices and told me that she had no option but to give up her weekend job that was paid by the hour because the employer had decided to pay her less and less. She basically became employment fodder for that employer. It was under the auspices of Work Choices that he was legally able to do that. She had no freedom for good employment and she had no fairness in the way she was being paid and treated as an employee in that workplace. She was not Robinson Crusoe; a lot of people, particularly young people and women, were treated very badly under Work Choices. There was no freedom or fairness at all.

The other observation is that the previous speaker dislikes this legislation to the point that he has now linked his government with the Hawke-Keating government as some form of restitution. I may have to have a bit of time to come to grips with exactly what he may be suddenly conceiving as philosophies of the one mind. I cannot think that they are philosophies of the one mind.

The workplace rights that Australians had before Work Choices were swept away and replaced with a system that provided no safety net, no rights in the workplace and no guaranteed access to conditions such as overtime and penalty rates. They were all up for grabs. It established a system whereby employees were left with no protection and no bargaining power. It was a case of: ‘Here’s your individual contract. Sign it. If you don’t like it, that’s tough. Off you go. Maybe you will find a job somewhere else.’ Those are not what I would call free and fair employment conditions. Not only was Work Choices unfair to Australian workers; it was also 1,500 pages in length and very complex and difficult to understand. This created difficul-
ties in the implementation of those laws for the many employers who were attempting to understand those laws.

A little over a year ago the Australian people, not the unions, sent a very clear message to the then coalition federal government. They were tired of the mean-spiritedness of the government, not least of all in the area of industrial relations, and they overwhelmingly voted against WorkChoices. The Fair Work Bill 2008 will reintroduce fairness into the workplace. The legislation will be easier to understand in terms of structure, organisation and expression. It will reduce the compliance burden on business by avoiding microregulation and overly prescriptive provisions and by conferring broad functions and appropriate discretion on Fair Work Australia.

The bill was formulated through a thorough and exhaustive consultative process with many stakeholders, including employer and employee groups and state and territory governments. The laws are balanced. No one group got everything they wanted—that has to be said. The government’s aim was to restore balance to the system, and this bill will go a long way to achieving that objective. It is a fair and comprehensive system of employment conditions that cannot be stripped away. It is made up of National Employment Standards that will apply to all employees and cannot be overridden.

There are 10 National Employment Standards. The maximum weekly hours of work will be 38 hours per week for full-time employees, with additional provisions for maximum hours for part-time employees. Flexible working arrangements will allow parents or those responsible for the care of a child under school age to request a change in working arrangements to assist with the care of a child. An employee will only be able to refuse this request on reasonable grounds.

Parental leave and related entitlements will provide for maternity, paternity and adoption leave. As the patron of the Adoptive Parents Association of the ACT, I know of many constituents in my electorate who will be particularly pleased with this news. It will provide to both parents a right to separate periods of up to 12 months of unpaid parental leave. Additionally, one parent will have the right to request a further 12 months leave, and it will only be able to be refused on reasonable business grounds.

The annual leave provision will guarantee four weeks annual leave to all full-time employees and an equivalent pro rata amount to part-time workers. The major change in this area will be the accrual method and the concept of ‘service’ for calculating entitlement. Annual leave will be accrued on ordinary hours of work, but there may be other provisions such as allowing an employee to take twice the annual leave required by the National Employment Standards at half the rate of pay.

With respect to personal carers leave and compassionate leave, the amount of paid carers leave that can be used will no longer be capped at 10 days per year. This provision will also replace complex rules regarding the accrual of leave with a simple rule that consolidates notice and evidence rules for taking leave. As chair of a committee in this place that is currently conducting an inquiry into carers, I know that employment issues are a common theme within that inquiry. I am sure that many carers will look at these provisions with great interest.

Although it is currently lawful to terminate an employee’s employment for absence due to a voluntary emergency management activity, there is no entitlement to community service leave in the current act. The National Employment Standards will enable employees to take unpaid leave to undertake an eli-
gible community service activity such as jury service or voluntary service management. The National Employment Standards contain provisions for employers to make up payments for a period of up to 10 days at the base rate of pay for employees undertaking jury service, for example.

Long service leave is currently provided for by state and territory legislation. However, the federal government is working with the states and territories to develop nationally consistent long service leave entitlements—and won’t that be welcome!

The National Employment Standards will provide for a base rate of pay for ordinary hours for an employee who is absent on a public holiday. An employer may make a reasonable request for someone to work, but the employee may refuse on reasonable grounds.

The provision dealing with notice of termination and redundancy pay will provide for written notice in these areas. It provides a new entitlement to redundancy pay. However, this does not apply to small business. From 1 January 2010 employers will be required to give a copy of the Fair Work Australia information statement to all new employees.

The Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008, the transition act, will bring 10 matters into effect as a result of modern awards. They are: minimum wages and classifications, types of employment, arrangements for when work is performed, overtime rates, penalty rates, annualised wage or salary arrangements, allowances, leave related matters, superannuation and procedures for consultation, representation and dispute settlement.

This bill also brings into effect many positive changes in other areas, including: the transfer of a workplace agreement following the sale of a business; the introduction of good faith bargaining; the widening of content in workplace agreements; an assurance that the agreement passes the ‘better off over all’ test to ensure that workers are never disadvantaged by the terms of a new agreement; the right of entry to a workplace by a union wishing to represent its members, with strict conditions and guidelines attached that affect both employers and employees; freedom of association; unfair dismissal laws that protect employees without putting undue operational constraints on business; and protected industrial action, again with strict conditions governing the action.

Finally, this bill will bring into being Fair Work Australia, which will streamline the current industrial relations system by replacing six different organisations: the Australian Industrial Relations Commission, the Australian Industrial Registry, the Australian Fair Pay Commission, the Workplace Authority, the Workplace Ombudsman and the Australian Building and Construction Commission. Its functions will be varied and wide. They include dispute resolution, minimum wage setting, ensuring good faith bargaining, facilitation of multiemployer bargaining for the low paid and approval of agreements.

This legislation is comprehensive and, I believe, strikes the correct balance. In the Sydney Morning Herald last week, Dr Rae Cooper, Senior Lecturer in Economics and Business at the University of Sydney, wrote:

It—

the legislation—

has some promise. It sets out expanded national minimum standards and a new, regular process for setting minimum wages. It recasts the collective bargaining system, giving unions new rights, compelling employers to bargain “in good faith” and provides for a strong role for the industrial umpire to help the parties to resolve their differences.
Notably, the legislation recognises the special needs of low-paid workers, including by giving them easier access to arbitration.

Dr Cooper went on to say:

The Rudd Government’s emphatic election victory last year ... has given it the confidence to remake a new industrial relations system.

Will the people opposite object to this bill? Yes. Why? Because there is a vast philosophical difference in this country between those on this side of the House and the people on the other side of the House, who still believe that Work Choices is manna from heaven that they need to applaud. We do not believe that. We are not going to allow people to suffer any longer. The people that I have referred to—that young woman and many others in our electorates—really suffered under Work Choices. It was really tough. Members opposite, including the previous speaker, keep saying, ‘The unions, the unions, the unions!’ The fear of the unions, this bogeyman of Australian society, is still somehow in their minds. The reality is that the Australian people voted us in with a mandate to do what we are now doing—and we are doing it with pride and we are doing it knowing that it is going to amend a decade of disastrous industrial law in this country. I commend the bill to the House.

Mr RANDALL (Canning) (11.45 am)—I rise to speak today on the Fair Work Bill 2008 and the implementation of Labor’s workplace reforms. The coalition does accept that the Rudd Labor government has a mandate for workplace relations changes, as proposed in its election policy last year. But the government does not have a mandate to be extreme and sneaky, it does not have a mandate to destroy Australian jobs and it does not have a mandate to destroy the Australian economy through this bill. In her second reading speech, the Deputy Prime Minister and Minister for Employment and Workplace Relations, Ms Gillard, said this bill is ‘good for employees, for employers, for families and the economy’. This must not be another broken promise by the Rudd government.

Significant parts of this bill were not part of Labor’s industrial relations platform at the election, including the reintroduction of compulsory arbitration, pattern bargaining and the expansion of union rights of entry to workplaces. In fact, before last year’s election Minister Gillard indicated that the existing laws had balanced the rights of employers and unions and Labor did not want to jeopardise productivity or cause industrial unrest. Now that has all changed. This is something that I will elaborate on extensively later.

When I spoke on the transition to Forward with Fairness legislation earlier this year, I spoke about the importance of flexibility for workers, the importance of a safety net and, predominantly, the creation of jobs and keeping people in work. In these tough economic times, jobs must be a priority. The Prime Minister’s war, in this case on unemployment—and he has a war on everything—must be more than just rhetoric. The legislation must not destroy jobs. A Senate committee process will examine the key elements of the legislation, and the coalition will reserve its right to move responsible amendments. Importantly, the legislation establishes Fair Work Australia, the ‘all-powerful’ new independent body that will oversee the operation of this bill and also the Fair Work Ombudsman, who will replace the existing Workplace Ombudsman.

The government’s changes to workplace relations come at a very difficult time for the Australian economy. The coalition trusts that these government changes have been carefully considered and will not cost jobs—but the proof of the pudding will be in the eating. As we know, this government has been handed an Australian economy in pristine
condition, with no debt, a surplus generated by the coalition and a future fund for savings with more than $60 billion in it. The condition that the Australian economy is in is one of the reasons why Australia will be able to get through the global crisis far better than many other countries. The scary part is this legislation destroying flexibility and productivity. When we have a workforce that has its lowest unemployment level, at 4.3 per cent nationally, that level must not be put in jeopardy.

The Organisation for Economic and Community Development expects that by 2010 Australian unemployment could be at six per cent. That means that there will be at least 200,000 more Australians out of work than there are now. You will recall that the coalition had a strong record of job creation. In fact, 2.2 million jobs were created on the coalition’s watch, with around 60 per cent of them being full-time positions. The move in recent times has been towards greater casualisation of the workforce, something that the Labor Party railed against when in opposition. Unemployment under the coalition was at its lowest level in 30 years. Labor inherited from the coalition last year an unemployment rate of 4.3 per cent. In 1996, Labor had left us with a rate of 8.1 per cent. Remember how far that blew out under the Hawke-Keating governments—to over 11 per cent! The Labor Party are not very good at actually creating jobs. They are very good at destroying jobs. This is the real concern with this sort of legislation: has this really been taken into account? Turning to wages, real wages increased under the coalition by 21.5 per cent compared to them actually decreasing by 1.8 per cent under the 13 years of the previous Labor government. That is a stark contrast as to who creates jobs and who creates improvements in real wages.

This legislation will be judged on its ability to create jobs, maintain productivity, bring lower inflation and continue to deliver lower levels of industrial action. The Australian people will eventually be the judge. On inflation, let us remember that, in line with the Reserve Bank of Australia’s preferred band, inflation was kept under three per cent for all of those coalition years. However, on taking office the Labor Party wanted to hype up the inflation mantra, so we kept hearing about genies out of bottles, which put pressure on the Reserve Bank to lift rates. The bank did and now we can see the consequence, as rates now have to be addressed. This is all part of the matrix of the Labor Party’s inability to manage a strong and productive economy.

In the electorate of Canning there is a labour force this year of 70,804 people. The unemployment rate in Canning was 4.1 per cent in June 2008. This was down from 8.4 per cent in December 2001, when I became the member for Canning. In other words, under the coalition the unemployment rate in my electorate more than halved. Currently the local rates of unemployment are as follows. In the main centre of Armadale the rate is 4.6 per cent. In the City of Mandurah, it is 5.7 per cent. It has gone up 0.6 per cent in the last six months. I have said before in this place that unemployment levels in Canning, particularly in the Mandurah area, were very high when we look at a publication called *Peeling away the mask*, which not only detailed the unemployment rates but described the lack of social cohesion and the issues that people in the high unemployment area of Mandurah were facing. But, as I said, the unemployment rate is at 5.7 per cent these days. The problem is: how long will it stay at such a low level? When I was elected to the seat of Canning in 2001, youth unemployment was extremely high. It has come down to a very small figure—in fact, about a quarter of what it was when we took office in Canning in 2001. It is one of the great trage-
dies that this inflexible regime that could be foisted upon us would see a lot of young people not only out of a job but without the ability to secure a job.

The matter of individual statutory agreements was dealt with earlier this year in the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. The coalition has been advised by industry that the government’s changes in the Fair Work Bill to provide individual flexibility in awards and agreements are sufficient. One in three Canning workers—in other words, 29,382 people—were employed under flexible workplace agreements, giving this electorate the second highest take-up of AWAs in the country. We know that ‘AWA’ in this place is a dirty word, but the Canning electorate was evidence of the fact that people sought to gain not only those individual agreements but the benefits that flowed from them—jobs, higher pay and individually negotiated conditions. As I have mentioned previously in this place, the seat of Kalgoorlie had the highest number of AWAs in Australia. That certainly has something to do with the mining industry, but many other electorates in Western Australia had thousands and thousands of people on individual agreements. That may have had something to do with the fact that, at the last federal election, Western Australia actually gained a seat—the only state to gain seats from the Labor Party.

Western Australia has an unemployment rate of 2.2 per cent, which is just unbelievable in this current environment. It is well below the national average of 4.3 per cent. The teenage unemployment rate is 11 per cent. I will be watching very closely the impact of this legislation on the Western Australian workforce. With mining and construction being one of the foremost industries in Western Australia, the input of industry is very important. Premier Barnett has warned that any industrial unrest will drive investment out of Western Australia, with the threat of strikes sending the wrong message to potential investors. I say to my colleagues in this place, and to the rest of the country, that it is really quite fortunate in this current environment that we do have a Liberal coalition in Western Australia, because we know that more than 30 per cent of this nation’s income comes from Western Australia—in fact, many of the mendicant states like New South Wales, which is an absolute basket case, are living off the teat of Western Australia in this current economy. We are having to carry the country, and thank goodness there is a coalition government that is going to protect the jobs of workers, protect the industries that provide those jobs and protect the exports and the income that is derived from the industries in Western Australia.

I was fortunate enough recently to go to the Burrup Peninsula and see the Woodside operations there, where they are investing billions of dollars in future income earnings in Western Australia. This will have a flow-on effect through royalties both to Western Australia and to Australia—we will keep the rest of this country in good health. So the impact in Western Australia is going to be crucial to the wellbeing of the Australian economy.

We know that the government and the department have had extensive consultations with industries throughout the compilation of this legislation. The Australian Chamber of Commerce and Industry met last week to discuss the Fair Work Bill. Executives expressed concern about the prospect of additional regulation and labour costs at a time of global financial instability and downturn in businesses. The ACCI noted that the legislation was:

… skewed to union rights; higher wages and conditions in modern awards; new industrial relations rules affecting outsourcing, redundancies and the
sale of businesses; wider union entry rights; adverse impacts for investment certainty and stable industrial relations in some sectors; and unnecessarily broad scope for compulsory arbitration of agreements.

When you just say, ‘Oh, look, we have consulted widely, and others agree with us,’ don’t forget the ACCI speaks for a huge range of employers. Industry must be brought fully up to speed, should the legislation be implemented, by its start date of July 2009.

Within the government’s new workplace relations framework, union accountability must be maintained and unlawful behaviour penalised. That is why the watchdog must be kept in place and its powers not watered down. There is some belief that this is where the government may be heading after it receives its report. This gives too much power back to the unions. I wonder why the Labor Party want to give power back to the unions. We know it has something to do with them giving $30 million towards the last election campaign. We know it has something to do with the fact that union members were out there manning the polling booths in my electorate, and every other electorate in Australia, and making sure that they got their Labor mates back in. We know that this place has former ACTU presidents in it—it is almost a retirement home for ACTU presidents. We know that the member for Maribyrnong and the member for Charlton want to be in this place as former union bosses because they want to help control legislation like this—it is in their DNA; it is in their heritage. As the hereditary peers in the Labor Party they want to make sure that they can gain control back over the workplace by using this place as a tool.

Remember under Labor that the average number of days lost to strikes per year was 22.6 working days per 1,000 employees. In September 2007 this was down—this is unbelievable—from 22.6 working days to 1.2 working days per 1,000 employees, an absolutely notable figure. Even the Australian Industry Group’s chief executive, Heather Ridout, said last week:

Unions will need to be responsible in their use of the new laws or risk causing economic damage at the worst time for Australia when pressures on business and employment are intense.

She is right. The new right of entry provisions are beyond extensive. With 24 hours notice union officials have the right to enter any workplace to inspect the books and hold meetings for recruitment—get names, addresses and superannuation details of members. I wonder if people in workplaces when they voted for the Labor Party knew that this legislation would allow union thugs to walk in on worksites and go and check the records of payments, addresses and personal details of non union members. This is what this sneaky legislation is actually paving the way for. All that is required to inspect non members’ records is the investigation of any alleged breach—and here comes one of the captains. Any fabrication will be possible. As the Australian’s Paul Kelly wrote on the weekend:

… the new right-of-entry provisions for unions are extraordinary and unacceptable in a democracy.

Last year, barely 15 per cent Australia’s workforce belonged to a union. But, with around 70 per cent of Labor Party’s front-bench being ex-union officials and with the union spending, as I said, in excess of $30 million in Labor’s campaign, one can only see why the unions are being repaid with additional power.

As I mentioned earlier, the Labor government did pledge to retain existing rights of entry. Such an extension of power gives a green light to union heavyweights to continue their thuggish behaviour. I might mention on this issue the misuse of safety issues
for rights of entry. This was well documented in the Cole commission with the likes of Joe McDonald going onto work sites claiming bogus safety issues which were found out later to be just a sneaky way of getting on site and causing havoc for the builder or the construction company and for recruitment. I might add, just recently, Kevin Reynolds and his mate Joe have been re-elected in Western Australia and Reynolds claims that he now has a mandate for militancy, and that after being re-elected he believes that he now has the ability to extend his militant behaviour on all work sites in Western Australia.

Obviously industry is concerned about the wielding of union power. The West Australian last week reported that the provisions in the Fair Work Bill 2008 relating to unions could lead to harassment in the workplace. The Australian Mines and Metals Association noted that, while you are trying to have your lunch, you could have someone tapping on your shoulder saying: ‘Hey mate, are you a member of the union? If you’re not, you should be.’ It is annoying and harassing. They are supposed to only be there on 24 hours notice in a prearranged place such as the crib room during lunchtime or breaks. But that will not stop the likes of Joe McDonald. He has been warned off. It is illegal for him to be on sites, but he just ignores that and goes there and causes mayhem. I have had phone calls to my office from people trying to do business in their area saying: ‘Joe is here again. How can we get him out of the place?’ With his great braces and pot belly, he is the stereotype of the union thugs that we are talking about.

Kevin Reynolds’s recent election win, as I said, gives him this mandate. The image of him wearing a T-shirt of his guerrilla revolution with Che Guevara on the front is embedded in our memory. This legislation could see him more and more on building sites wearing it. Then we have his mate, Joe, hurling abuse at representatives on Perth work sites. We saw that on the ABCC footage dealing with his unlawful rights of entry, where he was hurling obscenities at the bosses and workers who would not join the union. This is just one of several examples of thuggery.

Earlier this year, the site of the multimillion dollar Burswood development in Perth was closed down after a fracas when McDonald’s union meeting ran over time. It was the Cole commission that first exposed the power of Reynolds and McDonald in the Perth construction industry. The commission’s finding in relation to the union power in the building and construction industry held that, among other things, members of the CFMEU, including Kevin Reynolds and Joe McDonald, engaged in unlawful conduct, there was disregard by the union of contractual agreements and the views of employees and the union abandoned the rule of law.

In coming to a conclusion, I refer again to Paul Kelly’s article on Saturday where he warned about the powers the unions will have and confirmed that the Rudd government, in turbulent times, is reframing workplace relations completely and giving more power back to the unions. It states:

The global crisis means everything has changed: the budget goes into deficit, fiscal stimulus replaces fiscal restraint, the Reserve Bank does a volte-face and begins to slash interest rates, and the Government guarantees deposits as Rudd declares the crisis is ‘sweeping across the world’.

But standing immovable is Labor’s support for greater trade union power, more costly restrictions on employers, a greater role for the revamped … commission, an effective end to individual statutory contracts, a revival of arbitration, and a sharp weakening of direct employer and non-union employee bargaining.

The article goes on to state:
The … model … is a significant step into the past—
and I reiterate ‘past’—
It is hard to imagine how its impact will be other than to weaken productivity and employment.
The core of this legislation is that it must maintain the productivity and flexibility which have given Australia a stellar performance economically. (Time expired)

Mr TURNOUR (Leichhardt) (12.05 pm)—I rise today to support the Fair Work Bill 2008—legislation that delivers fairness and flexibility, that will lead to increased productivity in the workplace and that sensibly balances the interests of Australian workers and businesses.

In the lead-up to the election last year, Labor crafted a new industrial relations policy titled Forward with Fairness, a policy firmly anchored in the Australian value of a fair go. This legislation interprets Australian values and enshrines them within the context of the modern Australian workplace relations system. The bill delivers a safety net of minimum conditions that cannot be stripped away; enterprise bargaining in good faith that will drive innovation and productivity, benefitting the Australian economy; protections from unfair dismissals for all employees; a right to representation in the workplace, including union representation; and a chance to better balance work and family life, particularly for low-paid workers.

This legislation delivers on Labor’s commitment to introduce fairness and flexibility into the Australian workplace, the commitment we made to the Australian people at the last election. It highlights the stark difference between the Rudd government and the Liberal-led opposition. We fundamentally believe in different things: Labor in a system centred on collective bargaining and the Liberals in a system centred on individual contracts.

Unlike the opposition, the Rudd government delivers on its promises. We do what we say we are going to do, in contrast to the opposition, who say one thing and do another. The Leader of the Opposition may say that Work Choices is dead, but you would not believe it listening to opposition speakers today. The opposition fought for and still believe in an industrial relations system built on individual contracts—a dog-eat-dog, law of the jungle system where there is a race to the bottom on wages and conditions, a system anchored in the unrestrained market capitalism that gave us the global financial crisis, a system where contracts are meted out, not negotiated and where there is only work and profits, not work and family. This is the industrial relations system the Liberal Party believe in; it is in their bones. The Work Choices snake is not dead; it has just shed its name like a snake sheds its skin. It is still alive and well, slithering, hissing and ready to rise up and strike working families again if the Liberal opposition are elected to government.

I spent many days in the lead-up to the last election talking about Work Choices and workplace relations to people in their offices, workshops, shipyards and many other workplaces and obviously in their homes while out doorknocking. I remember a young truck driver I met while doorknocking at Edmonston, south of Cairns. He had signed an AWA. He was married with two kids, and although his hourly rate of pay had increased slightly he was worse off. When he worked longer hours he received no overtime or penalty rates, so his employer was now working him longer rather than putting on another driver. The end result was that he saw his family less. He was tired and angry and he did not know what to do.

There was the female migrant cleaner who had been given an AWA to sign by a government contractor. The AWA did away with
all of her overtime, penalty rates and any control she may have had over her roster. The employer could call her in at short notice for a few hours work, roster her on split shifts and vary her hours enormously from week to week. She did not want to sign but did not want to lose her job. She did not know how she would manage her work and family responsibilities under this new system. There was no real clarity about what pay increases, if any, she would receive in the future, but in the end she needed a job and she signed the AWA. I spoke to many people in my electorate who were in similar situations, and they came out in strength last year and voted for a new government—the Rudd Labor government. This was life as people knew it under the Liberal’s so-called Work Choices. You certainly could not choose family if you were a low-paid worker under Work Choices.

Similarly, small businesses were confused by the Work Choices laws. They do not have HR departments and work very closely with their employees. Work Choices gave them greater power over their employees but it meant that they were competing with other businesses not just on products and services but on wages and conditions too. Many found this very uncomfortable. The system effectively encouraged many businesses to cut wages and conditions—and they did. The processing of AWAs became chaotic following the introduction of the so-called fairness test. Many businesses found that they were underpaying their workers and were liable for thousands of dollars in back pay. Small business became weighed down in uncertainty and bureaucracy under Work Choices.

The Australian people rightly rejected Work Choices at the last election and, in the process, the Howard government. The Rudd government recognised this and, as one of our first acts of parliament this year, introduced the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, which began the process of phasing out the Howard government’s unfair workplace relations laws in favour of a fair and more flexible system. The Fair Work Bill further delivers on our commitment to establish a fairer, more flexible industrial relations system to drive productivity growth in the Australian economy.

At its heart is a new framework for collective bargaining at the enterprise level. We are returning the safety net to the Australian workplace and developing a new, modern award system. The Rudd government is committed to ensuring collective bargaining is again the cornerstone of the workplace relations system. Low-paid workers have not historically had access to the benefits of collective bargaining, but that will change under this bill. I heard the member for Charlton eloquently speak about this in a private setting. He is in the chamber now. I congratulate him, the former national secretary of the ACTU. He is a fantastic member of parliament. I know he has done a lot of work in this area. I agree with him: one of the great things about this legislation is providing low-paid workers—people like the cleaner and the truck driver I spoke about earlier—access to collective bargaining. The introduction of the Fair Work Bill will enable facilitated bargaining for these low-paid workers.

Fair Work Australia will play an important role in protecting the rights of many low-paid workers in the cleaning, childcare, retail and hospitality industries who have not been able to collectively bargain effectively in the past. Parties will be required to bargain in good faith. Good faith bargaining is about a willingness of parties to meet and discuss, to reach an accord on proposed new contract terms. It encourages parties to communicate openly and to focus their negotiations on key issues. Under Work Choices, there was no requirement to bargain in good faith. The
employer quite simply could ignore their employees’ request to bargain, even when a majority of workers wanted a collective agreement.

This will change. When this bill is enacted, if a majority of employees wish to collectively bargain, their employer will be required to bargain with them. The Fair Work Bill sets out a bargaining framework that is premised on good faith bargaining. We know most workplaces already bargain in good faith, without any intervention. But in the event this does not happen, action will be taken. There are penalties for parties that do not bargain in good faith after being ordered to do so. The bill empowers Fair Work Australia to make orders to ensure compliance with the good faith bargaining requirements. Employees will also have the right to be represented by a union as part of this process, even if there is only one union member at the workplace. If you choose to join a union then you should be able to be represented by that union. Fair Work Australia is empowered to ensure that everyone bargains in good faith.

Fair Work Australia will oversee the Rudd government’s new industrial relations system; it will be our new industrial umpire. Fair Work Australia will be an independent, statutory body with a range of functions and powers, including facilitating collective bargaining, approving enterprise agreements, adjusting minimum wages and award conditions, dealing with unfair dismissal claims, dealing with industrial action and settling workplace disputes. Fair Work Australia will bring together seven existing agencies and integrate service delivery.

Work Choices created excessive red tape. This bill simplifies the system, creating a one-stop shop for all workplace relations issues. The benefits are obvious. Take small businesses, for example. They do not have the time to spend numerous hours on staffing matters, on working through the many rules and regulations or on learning the ins and outs of workplace relations laws, and they cannot simply refer matters to their HR departments. This bill creates a simpler system, and Fair Work Australia will create a one-stop shop for employers, employees and unions.

The Fair Work Bill also returns unfair dismissal protections to all Australians. Under Work Choices, workers had no protection from unfair dismissal laws if the business employing them employed fewer than 100 people. If the business was larger, people could still be dismissed for so-called operational reasons. The Fair Work Bill ensures that all employees have protections but recognises the special needs of small business. I have many small businesses in my electorate. Employees will have to work for a small business for longer than 12 months to qualify for unfair dismissal protections. An employee can still be dismissed, but the employer will need to follow the simple fair dismissal code. This affords workers protection from unfair treatment and allows businesses to manage underperforming staff. The code makes it clear that an employer has the right to dismiss an employee without notice for serious misconduct. The process for Fair Work Australia to deal with unfair dismissal will be streamlined and simplified. The Minister for Small Business, Independent Contractors and the Service Economy has consulted widely on the fair dismissal code, and it has been well received by employer organisations.

There are many other features of this bill, but my time today is limited. The government has consulted widely on this legislation, and the Minister for Employment and Workplace Relations and Deputy Prime Minister is to be congratulated. Industry and union leaders have recognised this in their comments, which have generally been sup-
portive. Heather Ridout, from the Australian Industry Group, said:

Look, it’s been a long process, it’s been a difficult, testing process, diametrically opposed positions between us and the unions on critical parts. The Government handled it professionally, listening to both sides, putting important protections, and kept a number of protections out of the Work Choices in the new bill.

Sharan Burrow, the ACTU President, said:

People voted out a system of individual contracts, Australians don’t want an environment in their workplaces where their rights are attacked. This legislation turns the tide on a decade of attacks on workers rights, it gives them back the fundamental decency that ought to exist in a work place to stand with and for each other, to bargain collectively, get a fair deal, and most employers, most employers, who never left a bargaining system who have respect for their workers, know these are a fair set of rights.

I know many members in the caucus also worked on this legislation with the minister and Deputy Prime Minister, and I want to congratulate them on their work and on the consultations they had with the broader caucus.

The Rudd government are striving to achieve a strong and productive economy. We believe we do not have to strip away wages and conditions to achieve effectiveness and efficiency in the workplace or in the Australian economy. John Howard’s legacy was a bureaucratic, complex, unfair industrial relations system. His legacy was Work Choices. But the Rudd government is committed to creating a fair and flexible employment relations system. Cost of living pressures are already hurting many families and individuals. The global financial crisis is only increasing those pressures. In these troubled economic times, all Australians will benefit from certainty and from fair workplace relations laws. People want a fair go in the workplace. That is what this bill delivers.

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (12.19 pm)—It gives me a great degree of personal satisfaction to speak in support of the Fair Work Bill 2008, given my personal history. I was the Secretary of the Australian Council of Trade Unions for most of the period during which the Howard government was in power and experienced firsthand, in the representation of many working people around the country, the impact on working people of not only Work Choices—the Howard government’s legislation introduced following the 2004 election—but also the legislation that was introduced in 1996 and in subsequent years during the period of the Howard government. This bill signifies a number of important things: firstly, the end of Work Choices and, secondly, the keeping of faith with the Australian electorate by the Labor Party in ending Work Choices and introducing legislation which represents decent and fair rights for working people.

The Fair Work Bill represents a huge improvement in the rights of the working people of this country and a tremendous step forward in respecting fundamental values of fairness, justice and decent treatment. It also, however, represents very significant economic reform. For the first time, in real effect, this legislation will bring into place an effective national system of industrial relations regulation for the private sector. Subsequent to this the government will engage in further dialogue with the state governments concerning their approaches to the development of a comprehensive national industrial relations system. The Fair Work Bill is a monumental step forward in economic efficiency and economic reform in overcoming more than 100 years of multiple industrial relations jurisdictions, with the complexities that that generates, and implementing a simpler and more flexible national system. That is long overdue. Most businesses in this
country are operating strongly in a national and oftentimes international context, and a national system of regulation is very important.

The bill also signifies a far better balance of the rights and responsibilities between employers and employees in workplaces around this country. I was a union official for over 20 years and have experienced workplaces in many different industries around the country, representing people and working with business. Particularly with that background, I have always felt it extremely important that there be in the industrial relations laws of this country a proper balance of the legitimate interests of employers and business with the legitimate interests of employees and their rights to representation.

Oftentimes, ideology and politics take too great a hold in casting the balance of the interests of employers and employees. There is no better example of that, though, than in Work Choices. It swung the pendulum far too much one way, which was the reason it was rejected by the Australian community at the last election. I think the Fair Work Bill 2008 strikes a far better balance—an important balance—between the legitimate interests of employers and employees.

Finally, what I think is significant about the Fair Work Bill is that it is a tremendous victory for all of those in the Australian community who believe in fairness, justice and decent treatment for working people. These fundamental values are deeply entrenched in the Australian community and for good reason. Work Choices so offended those values that people rejected it at the ballot box at last year’s election. Ending Work Choices and implementing the Fair Work Bill represents a victory for those values and for those who believe in those values in our community.

What are some of the key elements of the bill that represent these values? Firstly, it is important to recognise that from a constitutional standpoint this bill no longer relies upon the conciliation and arbitration power of the Constitution. That head of power had underpinned the industrial relations regulation enacted by this parliament for over 100 years. This legislation, however, is based on the corporations power of the Constitution—and that is not just an idle legal observation; it does lead to a significant change. I have already referred to the nature of economic reform represented by the bill in the terms of the development of a national system. This has been brought about by the utilisation of the corporations power and the acknowledgment, in the Work Choices High Court judgment, of the capacity of the parliament to rely upon that power. Having a national system is a historic shift, and it changes the nature of the operation of the federal industrial relations system in particular.

We have had a system that relied for many years upon the thinking that ambit industrial disputes had to be created on paper on an interstate basis in order to generate the jurisdictional power of the industrial relations tribunal to create awards, deal with disputes and certify things such as enterprise agreements. That type of constitutionally driven artifice in the federal system will no longer be necessary, and it is a welcome improvement in the efficiency and operation of the system. But I think one of the critical elements represented by this bill is the improvement and the security of the safety net that will underpin the labour market. There is a set of legislated National Employment Standards. There are 10 such standards, complemented by a modernised system of awards which also can contain an additional 10 employment items. What this means is that there will now be 20 minimum condi-
tions comprising the safety net, versus five under the Work Choices system.

The system brought about by Work Choices generated the opportunity for employees to have their pay and employment conditions diminished once they entered into an instrument such as an Australian Workplace Agreement. This is what drove the cuts in take-home pay for many of the employees who, one way or another, were encouraged or coerced to sign an Australian Workplace Agreement, with the consequence that they lost their penalty rates, meal allowance, rest periods, annual leave loading or a host of other employment conditions put at risk by Work Choices.

Under the Fair Work Bill, when bargaining in the labour market and in the workplace an employee must be better off overall than the minimum standards comprising the safety net. That is, it is still going to be possible under the Fair Work Bill to negotiate over things such as penalty rates. However, if, in doing so, an employee agrees to forgo their ordinary hours of work plus penalty rate types of arrangements in lieu of an alternative type of arrangement such as an annualised salary, the employee cannot be diminished in their take-home pay and their overall entitlements. They must be better off overall. That was one of the serious deficiencies of Work Choices that led to serious disadvantage for those who were most vulnerable in the labour market. The Fair Work Bill remedies that problem and ensures that employees must be better off in the bargaining context by having a secure safety net.

Additionally, minimum wages are to be reviewed each year and any increases are to apply from 1 July. That is an important change. I was responsible, for example, at the ACTU, for the oversight and strategy of the national wage case for approximately one decade, and there was never a guarantee that minimum wages would be reviewed each year. The ACTU had to struggle, oftentimes, to have a minimum wage case brought on so that lower paid people could keep pace with the changes in the cost of living and improvements in productivity and share in national wealth in a fairer way. This bill ensures that there will be an annual review. Importantly, it also ensures, in the context of the safety net, that when there is a transmission of business—for example, in some circumstances, the sale of a business or part of a business—no artifice can be used, as was possible under Work Choices, to diminish or eliminate the employment arrangements and the wages and conditions of the employees. It puts a solid safety net under transmissions of business.

The other key element that is very important in the Fair Work Bill is the operation of the collective bargaining system. It is a collective system. It is not an individual contracting system. It is commensurate with the government’s commitments under the ILO conventions for collective bargaining and freedom of association. Importantly, the collective bargaining system is based upon a simple democratic value: when a group of employees, by majority, decide, if it is necessary, that they would like to collectively bargain with their employer, the Fair Work Bill resolves that the employer will have an obligation to negotiate with those employees in good faith.

Under Work Choices, every single employee in an enterprise could have resolved, could have signed a petition, could have made representations to the employer that they wished to collectively bargain, but under Work Choices the employer could simply say: ‘I have no interest in that and, by the way, you’d better sign this individual contract. But I will not collectively bargain with you.’ That sort of situation, which is inherently unfair, disrespectful and undemocratic,
is overcome in the Fair Work Bill by the requirement that, if it is necessary, the employees’ attitudes—whether they are union members or not—be ascertained as to collective bargaining. If a majority wishes to proceed on that basis then the employer will have an obligation to do so.

Another very important change in the legislation concerns freedom of association and implements Australia’s commitments under ILO conventions to freedom of association. The bill ensures that, if an employee makes a free decision to become a member of a union, the employee also has a right of representation, if that is their wish, and that an employer will have an obligation to respect that decision and the right of representation. Additionally important are the changes to the unfair dismissal arrangements. The previous legislation, which was brought in at the time the current Deputy Speaker, Mr Andrews, was the minister, involved the abolition of unfair dismissal protection for employees and enterprises with fewer than 100 employees. That represented the abolition of that protection for approximately four million people in the economy.

This legislation ensures proper protection of the interests of small business, as defined by employing fewer than 15 employees, and proper unfair dismissal protection for all employees in the workforce. There will be a qualifying period for employees in small businesses of 12 months and a qualifying period for employees in larger businesses of six months. There is also, of course, a strengthened role for the independent umpire, to be known as Fair Work Australia, and additional protection in part 2-4—the enterprise agreement section of the bill—clauses 241 to 246 in division 9 that provides the opportunities for low-paid employees to bargain on a multi-employer basis and, in appropriate public interest circumstances, to access arbitration, in recognition of the fact that they have a weak bargaining position in the labour market. That is an important protection for many women, non-English-speaking workers and young people, as well as many others in the labour market. That is an improvement in this legislation over all previous systems in the last 15 to 20 years.

There are concerns that have been expressed, of course, about shortcomings in the bill. They have been expressed by the business community or some representatives of it and some of my former colleagues in the union movement. But I think this bill is very strong in its fundamental protection for employee rights and it is very important that it be broadly supported in the community. Certainly I will be a strong advocate of it. It overcomes a lot of the flawed, biased and unfair processes and failures to protect various rights in the Work Choices legislation. It was in response to those failures in Work Choices that, as ACTU secretary, I resolved to campaign, along with my colleagues, very hard against Work Choices to ensure that improvements in rights were made.

I would like to make a couple of observations about the Your Rights at Work campaign, because it undoubtedly influenced politics in recent years, and I do not think too many would argue with the contention that the Your Rights at Work campaign had an influence on last year’s election outcome—because people were opposed to the Work Choices legislation. The Your Rights at Work campaign involved many thousands of people. It was conducted in workplaces, in community organisations, and in partnership with churches and many other community interests. Some of the largest rallies since the Vietnam War were conducted and broadcast across the country through the Sky Channel. There was community campaigning, television advertising, internet campaigning in an innovative way and marginal seat campaigning and, of course, significant funds were
raised. Many people contributed to it in a significant way. I would like to acknowledge one of my closest colleagues at the ACTU, George Wright. We worked very closely together coordinating much of the campaign over the period from 2005 to 2007. Hundreds of thousands of people were involved.

The Fair Work Bill represents a tremendous victory for their belief in fairness, justice and decent treatment for our people. But I believe, also, it represents a significant victory for our democracy. These last few years have demonstrated that, at the end of the day, when legislation such as Work Choices is enacted by a government and offends those values of fairness, justice and decent treatment so profoundly, not only are those values strong and alive within our community but people are prepared to act upon them. It has demonstrated that in our democracy, it is possible to influence results, it is possible to change governments through the ballot box and, ultimately, it is possible to see a policy that was enunciated during the election campaign by Kevin Rudd and Julia Gillard on behalf of the Labor Party put into effect. That is what the Fair Work Bill represents. I believe it to be a victory for fairness and justice in our community.

Mr IRONS (Swan) (12.35 pm)—I rise to talk on the Fair Work Bill 2008. As the Leader of the Opposition said last week, the coalition will not oppose the government’s Fair Work Bill 2008 as we believe the Rudd-Swan government has achieved a mandate for its industrial relations reforms. However, we do have concerns with the consistency of the government’s message over the last two years and the government’s ability to implement this legislation in the current context of a global financial crisis, given its current poor record of economic management.

Industrial relations has always been a controversial topic in Australian politics and has often been associated with tit-for-tat responses by alternate governments. On 20 November 2007, the Prime Minister, then the opposition leader, said that working families hated Work Choices and AWAs and they wanted to get rid of them. This was a view replicated by Gary Dunbier of the New South Wales Teachers Federation, who said, ‘The Howard government’s Work Choices represents the most pernicious legislation we have ever encountered.’ However, on this day, last year, Ross Gittens wrote in the Sydney Morning Herald that economists ‘will be sorry to see the retreat from Work Choices’. An article in the Sydney Morning Herald on 25 November stated:

Meanwhile, the mining industry is already railing against the draft workplace laws.

Miners say the legislation is more about resuscitating an ailing union movement, not improving business conditions and job prospects for ordinary Australians.

A paper prepared by Michael Thompson and the CSIRO in August 2002 entitled A history of recent industrial relations events in the Australian building and construction industry also showed the controversy surrounding industrial relations. Michael Thompson’s report shows a transformative period in industrial relations between 1974 and 1987. During that period the BLF was deregistered under Commonwealth legislation and consequently amalgamated into the state branches of the CFMEU. The accord agreement required union leaders to deliver wage restraint, to hold back excessive rises in wages and to maintain historical relatives, consequently holding down inflation. The ACTU’s amalgamation policy was based upon the idea that there would be 20 superunions covering broad categories based on industries. This is close to what we see today, with large unions that cover entire industries such as the Construction, Forestry, Mining and Energy
Union, the metal workers union and the Maritime Union of Australia.

Legislative provisions in the Industrial Relations Act 1988 diminished the role of awards and allowed for enterprise bargaining agreements. However, very few agreements were certified under this system because of the infrequent approval of agreements by the Australian Industrial Relations Commission. During the late 1980s, unions began developing collective agreements as part of a rationalisation of industrial relations in the building and construction sector. The period from 1990 to 2002 saw a shift in industrial relations with the Workplace Relations and Other Legislation Amendment Bill 1996. The bill limited the award system to a safety net of minimum wages and conditions, allowing individual businesses and workers to negotiate everything over and above that safety net. The bill protected freedom of association and included provision for individual agreements. To get the bill passed through the Senate much of the content was watered down, but the substance of the bill was largely preserved in the act.

The coalition accepts that the Rudd-Swan government have a mandate for workplace relations change following the federal election last year. However, that mandate is conditional on the election manifesto that the ALP sold to the Australian people. The failure to meet election promises has been a disappointing if not entirely unexpected characteristic of the government, and the Fair Work Bill 2008 is no different. It is important that the Australian people understand the reason why the Rudd-Swan government have deviated from their election policies—that is, to appease the union movement. The Minister for the Environment, Heritage and the Arts was obviously accurate when he said during the election campaign last year that the Labor Party would change it all if they were elected. The Labor Party were elected, and this bill demonstrates that they have changed it all.

The Deputy Prime Minister consistently assured the Australian people that a Rudd-Swan government would not bring back compulsory arbitration. In a speech on 30 May 2007, the Deputy Prime Minister said:

Under Labor’s policy there is no automatic arbitration of collective agreements. Our policy clearly states that no one will be forced to sign up to an agreement where they do not agree to the terms.

Yet this bill legislates for a return to compulsory arbitration. The Deputy Prime Minister also assured the Australian people there would be no pattern bargaining under a Rudd-Swan government. On 30 May 2007, the member for Lalor said:

Pattern bargaining is a term used to describe bargaining across the whole industry. That’s not what Labor’s policy is about.

On 9 November 2007, the Deputy Prime Minister made the ALP pledge clear and said:

Under our system, there will be no pattern bargaining.

Yet this bill subtly provides for pattern bargaining. We were also promised before the election that there would be no change to the rules that governed how union officials could gain entry to workplaces. On 28 August 2007, the Deputy Prime Minister said:

We will make sure that current right of provisions stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.

Again there has been a subtle change. As the Member for Stirling said in his speech, unions will now be able to access non-union-member records, get a privileged seat at the bargaining table and enter a vastly expanded number of workplaces. This legislation will allow unions to re-enter workplaces where employers and employees have previ-
ously agreed that unions were unwelcome. The Rudd government have shown themselves incapable of restraining the union influence in their party and incapable of keeping their election promises to the Australian people. The coalition will not prevent the Rudd government from implementing the policy they took to the election in 2007. However, the Senate will carefully consider this bill and the coalition will propose sensible and productive amendments. I want to put on record that I am very concerned about the impact of this bill on jobs and job creation in the midst of the global economic crisis.

Between March 1996 and November 2007, the Howard government created more than 2.2 million jobs—1.2 million of these jobs created were full time and almost 950,000 were part time. The unemployment rate in Australia was 4.3 per cent in October 2007, a 33-year low. In the year to February 1991, the retrenchment rate was 6.5 per cent, falling to 4.6 per cent in the year to February 1996 under the Labor government. The retrenchment rate fell to 2.2 per cent in the year to February 2006. It is important to remember the economic situation before the coalition government. In December 1992, under Labor, the unemployment rate peaked at 10.9 per cent, leaving almost one million Australians unemployed. Not one of the 77 ABS regions recorded a double-digit unemployment rate in June 2007; in March 1996 there were 24 that did. We will take no lectures in economic management from the Labor Party. These statistics remind us that Labor governments invariably preside over economic disasters. The Labor Party’s poor response to the global financial crisis makes me concerned that they are not capable of implementing industrial relations legislation and safeguarding Australian jobs.

On 25 November, Julia Gillard, the Deputy Prime Minister, rose in this place to speak on the Fair Work Bill 2008. In her speech the Deputy Prime Minister mentioned that the Rudd Labor government was delivering on the promises Labor made to the Australian people during the 2007 election campaign. As the Deputy Prime Minister stated, Labor delivers on its promises—but it also goes further. The bill deviates from the election promise in order to appease those to whom Labor owes its biggest election debt—the unions. The Deputy Prime Minister promised no compulsory arbitration, but now we have seen it introduced. It is not part of the mandate. The Deputy Prime Minister promised no pattern bargaining, but now have we seen it introduced. It is not part of the mandate. This has been stealthily snuck in through the back door, and the Deputy Prime Minister hoped no-one would notice.

It was promised that rules for unions getting entry into our workplaces would stay the same—another sham, and again we have seen the sleight-of-hand approach taken. Unions get access to non-union-member records and a privileged seat at the bargaining table. They can even enter workplaces where the employer and employees have previously agreed that they do not want unions. They can come strolling back in as this legislation unlocks the doors of virtually all our workplaces. I heard the member for Leichhardt state that businesses are confused. Well, they will be when the unions start jackbooting their way through the door. Whatever happened to the expectation of privacy of both the individual and the employer? In the case of an employee not wanting his records viewed by the unions, the employee cannot request this. His privacy rights are overridden by the fact that the union can view his records to prove that there is no discrimination in the workplace. The union supposedly cannot use the information gathered for any other purpose than what it gathered the information for, but I am sure they will come
up with a list of as many items as they see fit and then use that information as they like. The Workplace Ombudsman, who is there to protect employees from misuse of their information, would have a hard time proving misuse by the unions. This is just another free kick for union power and increasing their stranglehold over the workplace. I remind you, Mr Deputy Speaker, that this was not in the election promises.

The Deputy Prime Minister goes on to talk about the Harvester judgment with reference to fairness in industrial relations and states that this was part of the new Australian Federation that would make Australia different to other nations such as the United Kingdom and the United States of America. Our new Federation would ensure that we did not have the wide social inequalities that the Deputy Prime Minister insinuates exist in the countries previously mentioned. What the Deputy Prime Minister failed to mention is that, as stated by Ray Evans in the *Age* on 15 November 2007, there are a number of points that need to be made about the Harvester judgment. He started his article by saying:

JULIA Gillard’s comments at the centenary celebrations of the Harvester judgment of 1907, handed down by the then president of the Arbitration Commission, Henry Bournes Higgins, and Paul Keating’s spray in *The Age* on 13 November 2007 show that it is difficult for Labor politicians to understand just how much long-term damage was wrought by H.B. Higgins, Alfred Deakin and Billy Hughes, as they combined wage regulation with tariff protection in the Arbitration Act of 1904 and the Tariff Act of 1906.

But here we have our Deputy Prime Minister applauding this judgment, along with ALP members who have mentioned the Harvester judgment in their speeches previously. The points that Evans made were that the Harvest judgment ‘decreed a minimum wage of 42 shillings a week for unskilled labourers’ and that the judgment:

… was soon overturned by the High Court, which found that the Excise Tariff Act of 1906, which Higgins had presumed gave him the legal authority to make his award, was constitutionally invalid.

The High Court’s intervention was indeed fortunate for the unskilled worker upon whom Higgins had bestowed a huge mandatory increase—of 27 per cent. Evans goes on to say:

If that increase had remained a legal requirement in 1907, then a sharp increase in unemployment, particularly among the unskilled, would have followed soon after; just as we saw a sudden and disastrous increase in unemployment that followed the 1981-82 increases of similar magnitudes in the metal trades awards.

If there is one thing history teaches us, besides the fact that there is no such thing as a temporary deficit under a Labor government, it is that Labor will make decisions on ideology and let the Australian public bear the consequences, which are often not thought out. Ray Evans went on to say:

But whether regulation is to be imposed by Ms Gillard … or by trade union officials, is a second-order effect. The—primary—problem is the innate incapacity of the regulators to stop regulating. And every time a new regulation is promulgated, the capacity of free individuals to make decisions in their own best interests is diminished, and the huge social benefits that come from such unregulated activity are lost.

The collapse of the Soviet Union should have made it clear to everyone that centralised planning and control do not work.

At the end of the day the judgment of this bill will come from the flow-on effects of this new legislation on employment—or should I say unemployment? The small business owners of Australia will vote with employment statistics, and the workers of Australia will line up at Centrelink. This legisla-
tion will not improve employment, but I think we will see a decline in the employment of people by small business in Australia. As I said in a previous speech, the small business people of Australia will do what they always do when anti-job regulations are foisted upon them—they will do what they are great at—and that is that they will work harder and longer. I invite all businesses in my electorate of Swan to provide feedback to my office on the effects of this legislation on their businesses as it comes into effect.

Mr ROBERT (Fadden) (12.49 pm)—Thank you, Mr Deputy Speaker, for the opportunity to speak upon the Fair Work Bill 2008. I acknowledge the member for Charlton, a previous secretary of the ACTU, at the government bench this morning. The coalition accepts that the Rudd government have a mandate for workplace relations change, as they proposed in their election policy last year. The coalition accepts that Work Choices is indeed dead; the Australian people have spoken. We acknowledge that industry stakeholders have supported many key elements of the bill. All of that is fact. We acknowledge that the matter of individual statutory agreements was dealt with earlier this year in the Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008, and we have been advised by industry that the government’s changes to provide individual flexibility in awards and agreements are indeed sufficient. All of that is fact—it is acknowledged—and on that basis the coalition will not oppose those changes. In totality the coalition will not oppose the government’s Fair Work Bill in the House, but clearly we reserve our right to propose amendments to improve the operation of the bill, as we would with any other bill that moves through the parliament, following a standard Senate committee process—clearly, though, without seeking to frustrate the government’s election commitments in its implementation of its Forward with Fairness policy.

History is a great teacher. The government is often heard speaking about the mining boom and the resources that flowed into the government coffers as a result. It is an inconvenient truth, though, that when the mining boom began the world had generally low stockpiles of resources, a very low exploration rate—in some cases over 15 years of neglect of exploration—and a sharp peak in demand. Purchasers of raw materials could have gone to any number of places across the globe to purchase raw materials, but fundamentally they chose Australia, for a range of reasons. One of them was that our industrial relations framework was, principally, flexible and allowed a range of behaviours to occur to maximise productivity. It made Australia a great place to purchase from, in contrast to other countries such as Brazil.

Changes to the unfair dismissal regime under the Howard government, from which small businesses with fewer than 100 employees were exempt, meant that small businesses would give Australians a go. Where they were unsure about the professional standing, the capacity, the education, the qualifications, the fit of a person, they would give them a go. All of this led to some amazing changes in the Australian economy. Between March 1996 and November 2007, more than 2.2 million jobs were created. That is a fact. Of these, 1.2 million jobs were full time and almost 950,000 were part time. Indeed, between the introduction of Work Choices and November 2007, 438,600 additional jobs were created. There are currently well over 10.6 million Australians in work, a record high.

A debate on industrial relations cannot occur in the absence of the facts about what the previous government’s regime implemented. The unemployment rate in Australia was 4.3
per cent in October last year—a 33-year low. It had been below five per cent for 21 consecutive months. In contrast, in December 1992, under Labor, the unemployment rate peaked at 10.9 per cent, leaving almost one million Australians unemployed. Long-term unemployment in August 2007 was 66,700. It was slashed by almost two-thirds under the Howard government, and that was 79.8 per cent lower than the peak under Labor in May 1993 at a seasonally adjusted rate of over 329,000.

Australians were given a go. The industrial relations framework in the country allowed for employment to be soaked up. The ABS national account figures highlighted that real wages have increased by 2.4 per cent since the introduction of Work Choices, and there was a 20.8 per cent increase in real wages under the coalition, compared with a 1.8 per cent decrease under Labor. Australians had much to celebrate for the 11½ years of the Howard-Costello reign, and they have much to fear from the changes coming through under this workplace relations legislation.

The government’s change comes at a very difficult time for the Australian economy. We take the government on trust that changes have been carefully considered and will not cost jobs. My only concern is that we took the government on trust with their unlimited bank guarantee, which we warned them against, that subsequently distorted financial markets. We took them on trust that wholesale term guarantees were not needed for banks, and of course they have backflipped and now put them in. We have taken the government on trust before, and it has come to grief. This is not a time when such moves can be imposed without the luxury of a strong economic buffer and robust business conditions such as those that existed under the Howard years. The Howard government’s ability to get people into jobs and keep them there is without qualification and without peer. It managed and created prosperity and growth, with an increase of over 20 per cent in real wages. The danger is that this may already be being squandered by this government.

We are gravely concerned that this bill, in setting the industrial relations framework back years, will have a significant impact on jobs. It will have a significant impact on job creation and particularly on economic certainty. The opposition will continue to focus on jobs. I note the government’s budget in May forecast 134,000 unemployed. Its Mid-Year Economic and Fiscal Outlook increased that to over 200,000. The question for the government is now: what is your current unemployment figure? How many more jobs will be lost? I am especially cognisant of job loss, in that one of my suburbs, Helensvale on the Gold Coast, has the highest rate of mortgage default by value, at 30 days in arrears, of any suburb in the nation: 7.78 per cent of homeowners in my suburb of Helensvale are 30 days behind on their mortgages. That is a tragedy. What would be worse is if, under this regime, they lost their jobs. Regardless of whether interest rates come down or not—although that is clearly welcome—if you do not have a job, you are unable to meet your budgetary requirements, such as your repayments on cars and houses. In a suburb like Helensvale, the result would be disastrous.

The coalition believes that, within this government’s new workplace relations framework, union accountability must be maintained and unlawful behaviour must be penalised. I am aware that the Deputy Speaker ruled that the use of the term ‘hypocrisy’ was unparliamentary and not to be used in the chamber. I will avoid the use of the word ‘hypocrisy’ and instead rely on ‘duplicity’: saying one thing but indeed meaning another. It comes as no surprise to
any Australian that this bill substantially deviates from election promises. It can only have done so to appease those to whom Labor owes its largest and most profound election debt. The member for Charlton, who is at the table, would know exactly whom I am speaking about: the union movement.

Minister Gillard promised there would be no compulsory arbitration. She made it very, very clear on 30 May 2007 in a speech to the National Press Club:

Under Labor’s policy there is no automatic arbitration of collective agreements.

On 3 September 2007, the now Deputy Prime Minister said:

… we’ve said in our policy, that there are a very limited number of circumstances where you need the industrial umpire to step in … But in the ordinary course people who are collectively bargaining at their enterprise level, all of that bargaining will happen at the enterprise level, they will either strike an agreement or not strike an agreement.

On 17 September at the National Press Club, she continued:

Compulsory arbitration will not be a feature of good faith bargaining.

Yet, under pressure from the unions and, I am sure, under pressure from the member for Charlton, compulsory arbitration is back in. If that is not duplicitous then what is?

Minister Gillard also promised that there would be no pattern bargaining. She made the case again on 1 May 2007. She was asked by a journalist:

Pattern bargaining, is that actually going to be a reality under your policy?

And she replied:

That is completely untrue. Pattern bargaining in the sense of having industry wide action is unlawful under Labor’s Forward with Fairness plans.

On 30 May she said:

Pattern bargaining is a term used to describe bargaining across the whole industry. That’s not what Labor’s policy is about.

On 14 June, in a speech to the CEDA State of the Nation Conference, she said:

The Minister and the Government will make all sorts of silly claims about Labor’s system.

That it’s about centralised wage fixing and arbitration—it’s not.

That it allows for pattern bargaining—it doesn’t.

On the Today show on 10 August 2007, Minister Gillard said:

The key claim in it is that Labor’s industrial relations system is somehow going to have pattern bargaining in it and we’ve said time and time again that’s simply not true.

Pattern bargaining is back in, Member for Charlton. It is back in by stealth. It was quietly ushered through the back door. It is back in because you made sure it was put back in. You made sure that no-one would notice. I suggest again that that is duplicitous: saying one thing and doing another.

We were promised that rules for unions getting entry to our workplaces would stay the same. Surprise, surprise! Minister Gillard said on 28 August in a joint press release with the Prime Minister:

Federal Labor will maintain the existing right of entry provisions.

It seems the duplicity continues to the high ranks of the Prime Minister. At a press conference on 28 August 2007 Minister Gillard said:

We will make sure that current right of entry provisions stay. We understand that entering the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.

On 28 May 2008, in a speech to the Master Builders Australia industry dinner, she said:

We promised to retain the current right of entry framework …

Duplicitous: saying one thing and fundamentally meaning and intending to take the opposite approach—a sleight of hand.
If one union member in a workplace claims that they have not been paid the right amount or that someone on the other side of the lathe or the workshop or upstairs is getting paid more than they are, if one union member makes an unsubstantiated claim like that, it is classed as a breach and the unions will be able to come in and legally get access to non-union-member records. Duplicitous!

Minister Gillard and the Prime Minister said on 28 August in a joint press release: Federal Labor will maintain the existing right of entry provisions.

The word ‘hypocrisy’ comes from the Greek word ‘hypokrites’. It was a mask that an actor would wear to show that he was acting in some way that was different to him. It is interesting that Jesus used the word against the Pharisees. He also used the term ‘white-washed tomb’—that is, one thing is shown on the outside and something fundamentally and completely different is on the inside. Given that the word ‘hypocrisy’ is unparliamentary, I will stay with ‘duplicitous’.

Even in workplaces where the employer and employees have previously agreed that they do not want unions, the unions can come strolling back in, as this legislation unlocks the doors of virtually all of our workplaces. This legislation will allow the unions to walk in and present the benefits of collective agreements. In fact, this entire bill revolves round collective agreements almost to the exclusion of all others.

In 1983, when the Hon. Bob Hawke took over as Prime Minister, the union movement was in its heyday. Something like 46 per cent of the nation was unionised. Now the number has reduced to under 25 per cent and for the private sector it is less than 14 per cent. A cynic might argue that this is simply a way for the union movement to once again try to reach the lofty heights of ascendancy. Without doing it by representing workers well and proving their value in the workplace, they are doing it through their political arm, the Labor Party, through legislation.

These are things that the Australian people did not vote for. The Australian people were expressly and explicitly told the exact opposite. They were told that many of these features would not be in any new legislation. It is ironic that secret ballots are now to be 100 per cent paid for by the government, whereas previously the union movement contributed one-fifth of the cost. The opposition have indicated that we will not frustrate the government’s endeavours to implement the policy it took to the election, but as we have stated the Senate has work to do and we reserve the right to propose sensible and productive amendments.

The test for this government is very simple: will this bill help put people in jobs or will it put them out of jobs? The test is very simple. To determine how effective the test is is also simple. In 12 and 24 months time we will be able to see whether more people or fewer people are in jobs because of this bill. Will this bill create growth or will it hinder growth? Will it strengthen the labour market or will it weaken the labour market? Does it promote freedom in the market or is it oppressive in the market? Does it support the freedom of the individual to negotiate with an employer or does it force that individual into a collective space controlled by the union movement? The test is simple. Marking that test in 12 or 24 months time will also be simple. This parliament will give it a tick or a cross; it will be a pass or a fail. The first KPI and the last KPI will be jobs.

These are the tests for the Prime Minister and the Deputy Prime Minister. These are the measurements of success or failure. Jobs will be the yardstick that the Australian people will use to measure the frontbench of this government. It is no longer a question of
what the opposition is going to do or not going to do. The question is: will the government deliver on its pledge to create jobs, to promote industrial harmony or freedom? Time will tell.

It is interesting that since November 2007, when this government took power, strikes have increased in this nation by more than 800 per cent. There has been an 800 per cent increase in strike action. The Prime Minister would have the nation believe that that is a normal part of the argy-bargy of industrial relations negotiations. Yet during the Howard-Costello years strike action was the lowest in almost 100 years. It has rapidly spiked up by 800 per cent. I think even the most casual of observers would realise that that has nothing to do with the argy-bargy of industrial relations but everything to do with the union movement stirring and growing, grasping at the heels of the Labor government, searching for a relevance they could not find in simply representing ordinary workers and instead leaning on the Labor Party for legislation. The opposition will hold this government to account. The yardstick will be jobs, the measurement will be jobs and the failure of this bill will be the lack of jobs.

Ms BIRD (Cunningham) (1.09 pm)—I rise to support the Fair Work Bill 2008, which replaces the Howard government’s Work Choices legislation, which divided Australians, cut their pay and conditions, restricted their right to collective bargaining, froze their right to workplace representation and gutted the independent umpire. I note that the opposition has indicated that it is not opposing the bill, although I must say I have been listening to the debate today in the chamber and the level of Henny Penny cries of disaster about to fall on our heads in the speeches of all of those on the other side, who have indicated they are proposing to not oppose the bill, has been interesting. I notice a common theme is their concern about unemployment and their belief that the provisions of this bill may in fact increase unemployment. I simply say to them that, when it comes to the point in this country when fairness is a barrier to creating employment, I think we need to have a good, close look at ourselves. Fairness and balance in the workplace are not a barrier and should not be a barrier to creating employment.

The other issue that has been raised by speakers on the other side is the mandate that this government has from an election where, quite clearly, the workplace relations framework of this country was a major issue. There has been the recognition that we do indeed have a mandate to introduce this legislation, although many of them have then gone into some detail about aspects of this bill that they believe we do not have a mandate to implement. I simply say to those who have raised that point: where was the mandate for Work Choices? Not once did the former government take the Work Choices legislation that they proposed to introduce into this House and this country to the people.

Whilst it is quite right that the opposition will be looking to the Senate committee process to propose, as I understand, some amendments that they believe may improve the quality of the bill, I remind them that in fact they are privileged to have the opportunity to speak on this bill, because several people on this side of the House who were in opposition at the time—me included—were gagged on several occasions and did not even have the opportunity to address the bills before the House. Indeed, the Senate committee itself had the grand allocation of 24 hours to consider the previous legislation under the Howard government!

So I say to those opposite that I understand that there is a fundamental ideological
difference between us about what constitutes fairness and balance. It is a debate that we have engaged in vigorously over the last 10 years, since the original 1996 bill of the former government, and it has been the topic of much debate in the community. In the election last year the community indicated where it, by and large in the vast majority, stood on the position of fairness and balance in our industrial relations system. I encourage those opposite to desist from the Henny Penny cries that the sky will fall in and the scaremongering around this bill and to encourage both employees and employers to see that applying fairness and balance to their workplace relationship will not be a barrier to employment and indeed should encourage employment. I think the vast majority of workers and their employers want that and understand that. It was their good common sense that created the support of the arguments that we were putting on this side of the House about a structure that would reflect fairness and balance.

I note that the editorial published in my local newspaper, the *Illawarra Mercury*, on 26 November 2008 had a bit of a run in this place over the last week or so. It summed up the feeling of people in our area regarding the Work Choices legislation very, very well. The editorial said:

> Introduced by the Howard Government, it was loathed by workers, tilted in favour of the boss, drew thousands of complaints and resulted in hundreds of investigations into allegations of unfair, illegal and inappropriate working conditions.

> In short it was a disaster and the death knell to the Howard years.

That is the voice of our local paper, reflecting the views of local people in my area. As a result, since coming to office, our government abolished Australian workplace agreements. The government also introduced a real, genuine no-disadvantage test. This test ensures that no workplace agreement can disadvantage an employee. On 16 June this year the government released 10 national employment standards, which contain the minimum conditions every employee in Australia is entitled to receive. These include: maximum weekly hours of work, requests for flexible working arrangements, parental leave, annual leave, passionate and carers leave, community service leave, long service leave, public holidays, notice of termination and redundancy, and provision of a fair work statement.

The government has started the process of modernising and streamlining thousands of awards by focusing them on the basis of industry or occupation. These new, modern awards may also include up to an additional 10 minimum conditions of employment tailored to meet the needs of that particular industry or occupation. These industrial relations reforms and those included in this bill before us today usher in a modern national industrial relations system. These reforms are based on the principles which have always been the foundation of Australian industrial relations: balance and fairness. They were the principles that were violated by the Howard government and the Work Choices legislation.

The bill has been the subject of long and detailed consultations both before the election when we were formulating our policy position and in the actual drafting of the bill. The Deputy Prime Minister and Minister for Employment and Workplace Relations has consulted widely with employers, employees, trade unions and state and territory governments. I also recognise the contribution of many of my colleagues in this House, including the member for Charlton, who have played an important part in contributing to
the development of this bill and also over the longer term through the Your Rights at Work campaign. I also want to take this opportunity to acknowledge the work of the local Your Rights at Work campaign organised by the South Coast Labour Council and its secretary in my own area, Arthur Rorris. On 30 November 2006, to show the level of concern that there was about the Work Choices bill, 7,000 local people marched in Wollongong in opposition to that legislation. This is a comprehensive bill covered in 600 pages. Work Choices was 1,500 pages of red tape and confusion that I know many employers in my local area struggled to understand and get their head around at the time. Even the Australian Chamber of Commerce and Industry in their media release dated 25 November 2008 said that ‘government consultation has made the bill easier to navigate’.

The bill has six chapters, including the objects and definitions, obviously; the terms and conditions of employment; the rights and responsibilities of employers, employees and organisations; compliance and enforcement; administration; and other minor matters. I am very pleased that this bill introduces fair and comprehensive employment conditions that cannot be stripped away. Awards will provide for an additional 10 conditions above the National Employment Standards to be determined by Fair Work Australia on the basis of industry or occupation. The key to the provisions in this bill is that workplace agreements must leave every employee better off overall than the applicable award. Every employee in Australia now has a concrete legislative foundation upon which their conditions of employment are guaranteed. No employer can strip away any of those 10 national employment standards. I am pleased the bill contains new, effective transfer of business provisions to ensure agreements cannot be evaded by employers leaving employees high and dry, a situation I saw on a couple of occasions in my own area. Awards will be reviewed every four years and annual wage adjustments will be based on criteria balancing economic and social factors. Common-law contracts, as they have always existed in Australia, can be agreed between employer and employee; however, the terms and conditions of these must be above and beyond the 10 national employment standards and applicable award.

I am pleased that the bill provides a new framework for fair enterprise bargaining. The Labor government pioneered enterprise bargaining in the early 1990s and those reforms led to increased productivity in workplaces and across industries and increased employment in Australia. The attack on collective enterprise bargaining by the Howard government since 1996 saw productivity in workplaces and across industry decline. Collective bargaining will be the focus of enterprise bargaining under this Fair Work Bill. The new framework includes the introduction of good faith bargaining. There will be less regulation of the content of agreements. There is no distinction between union and non-union agreements and the approval of agreements will be streamlined. I welcome those provisions of good faith bargaining. It takes place already in workplaces around the country and this bill legislates a fairly common practice.

Good faith bargaining will apply to all parties in this bill. If an employer refuses to bargain with their employees, Fair Work Australia will have the power to test support amongst the employees to which the workplace agreement will apply. If a majority of employees wish to bargain collectively, the employer will be required to bargain with them. Fair Work Australia can make orders on bargaining only relating to procedural issues. It will be unable to make orders on the content of agreements. These procedural orders relate to, for example, attending and
participating in meetings, disclosing relevant information in a timely manner, responding to proposals made by the other party in a timely manner, providing reasons for responses to proposals advanced by the other party, and refraining from conduct which undermines freedom of association or collective bargaining. It is important to note that good faith bargaining does not and will not require any party to bargaining to make concessions or to sign an agreement where they do not agree with the terms of the agreement. The bill provides a new scheme for bargaining for low-paid employees. Many employees, and predominantly women, in industries such as child care, hospitality, community work and cleaning struggle to effectively bargain with employers. They have been locked out of the collective bargaining system to an unfair degree.

Fair Work Australia will facilitate the making of agreements and play a direct role in the bargaining process. However, Fair Work Australia must also consider how productivity in the business may be improved and the need to maintain the competitiveness of the employer. The bill provides a balanced approach to the right of employees to meet with their union and the right of their employer to conduct business without interference. The bill allows members of a union that is eligible to represent their industrial interests to meet with the union at the workplace during non-working hours to hold discussions with members. The union must comply with any requests by the employer to meet in a particular room or area as long as the employer’s request is reasonable. Right of entry comes with strict obligations, including holding a valid right of entry permit, the giving of notice and other requirements of conduct while on the site.

The bill introduces new qualifying periods for unfair dismissal claims: 12 months for employees of a business with fewer than 15 employees and six months for employees of businesses with 15 or more employees. The process of dealing with unfair dismissal claims is also streamlined. It is important to acknowledge that unfair dismissal in the small business area will have a code of conduct established that is simpler and straightforward but balances the right of people not to be unreasonably sacked and without recourse.

I indicate that this bill contrasts starkly with the Howard government’s Work Choices legislation. The Work Choices safety net took away the right to collective bargaining, marginalised freedom of association, made it acceptable to unfairly dismiss workers, gutted the powers and responsibilities of the Australian Industrial Relations Commission, and allowed workers’ pay and conditions to be cut by AWAs. Millions of Australians at the last election rejected this approach. This bill provides the things that they called for. This bill provides fairness and balance back into the Australian industrial relations system.

Dr JENSEN (Tangney) (1.22 pm)—From the outset, I must admit that my expertise does not lie in this area, so I shall use my scientific training to look at the hard data in both the specific area of industrial relations and the economic and social context in which the various regimes have been implemented. As has been acknowledged by this government and as was predicted by former Treasurer Peter Costello almost exactly a year ago, the world economic reality today is a far cry from that of only a year or so ago. When the Labor Party formulated their industrial relations policy, the world economy was, to a large extent, booming. Work was plentiful and our economy was very strong, thanks in no small measure to the hard work of the Howard government. Although the government is always loath to admit it, the mere fact that economic experts are predict-
ing that Australia’s economy is one of the few which may not slide into recession is a testament to the relative insulation from the world economic disaster provided by a decade of strong economic management under the Howard government.

That does not, of course, mean that this strength will continue. One of the main criteria by which this government will be judged is how it manages the economy, including industrial relations, in the coming years. The rest of the world will not care about ideology, just hard economics. If Australia becomes uncompetitive, it will lose market share, especially in primary commodities. If the industrial relations regime allows us to slip back to the bad old ways when, for example, ships were queuing off the Pilbara coast unable to load because of industrial disputes, this will be one of the government’s greatest industrial relations challenges, especially in light of certain union leaders’ belligerent threats before this legislation has even come into force.

The front page of the *West Australian* on Tuesday 25 November was a harbinger of what we may expect to face, with the headline ‘Time to strike for rights say unions.’ Surely these unions would have been involved in the unprecedented degree of consultation with employer and employee representatives which the minister referred to in her second reading speech. We must ask the question: is this legislation as fair as the minister claims? If so, these unions are clearly threatening to return to the bad old days of capricious, unnecessary and destructive strike action. The pressure will then be on the government to back up the claim made by the minister that parties refusing to bargain in good faith will gain no advantage by flouting the law. You can have the best dispute resolution provisions in the legislation but if certain parties refuse to adhere to them and the law is not backed by fair and scrupulous enforcement then these provisions will be nothing more than a feelgood sham.

I am a bit concerned that the minister seems to be mainly concerned with protracted industrial action. Obviously, strikes which drag on over long periods of time are by definition deliberately harmful to both employers and, in many cases, employees. However, calling a short strike, even for just a few hours, can cause the employer to lose many thousands of dollars. An example of that would be the previously familiar occurrence of strikes in the middle of concrete pours on construction sites. Although the strikes were only of short duration, the cost of the entire initial concrete supply, of removing the partially poured concrete and repouring a fresh batch, can be almost ruinous. Therefore, to judge the severity of the strike purely on the length of time it takes overlooks the economic reality of life in business.

Speaking of industrial disputes, it is worth charting the recent history of the level of industrial disputation in Australia. According to the ABS, the number of industrial disputes across Australia has declined markedly in the past 20 years. In 1987 there were 1,519 industrial disputes, compared with only 135 last year. This decline coincided with a range of institutional, legislative and economic changes which affected industrial relations in Australia.

Following the economic downturn of the early 1990s, there has been a sustained period of prosperity characterised by strong employment growth and a decline in unemployment. One would normally have expected prosperity and low unemployment to be the ideal time for industrial muscle flexing. I believe the reason disputes did not increase was that employees realised the benefits of industrial peace and the industrial re-
The regime in force made irresponsible strike action much more difficult.

What is even more noteworthy is that the number of working days lost has also been at historically low levels in the past decade, which also helps the economy a great deal. This reflects well on both participants in industrial relations and the regime under which they operate. For example, in the construction industry, working days lost went from 194,600 in 1987 to 6,800 last year. Working days lost per thousand employees in the construction industry went from 605.2 to 10.1 in the same period—a remarkable achievement and one which should not be ignored. Let us hope that the new regime provides a similar climate for industrial harmony, especially with tougher economic times ahead, particularly for business.

It is also gratifying that the provision for a secret ballot before industrial action is taken has been retained by the Labor government. One wonders, if the principle of secret ballots is supported by Labor and the coalition, why union bosses in Western Australia felt so aggrieved when secret ballots prior to industrial action were introduced in 1997. Many people on both sides of politics have said that Work Choices is in the past and that it was the main reason the coalition government lost the 2007 election. Some have expressed concern that this loss came only after a most disingenuous fear and loathing campaign, to use a phrase much beloved of the trade union movement. However accurate that observation may be, we on this side of the House accept that for whatever reason Work Choices is no more. Despite that, it would be inappropriate to repudiate all the industrial relations reform which happened throughout the 1990s, as much of it was of great benefit to employers and employees. The Labor Party has said as much, and so should we. My colleague the member for Goldstein, when addressing the IPA, was generous and honest enough to acknowledge the part that the Hawke and Keating governments played in freeing up the previously straitjacketed industrial relations system. I would hope for some reciprocal honesty and generosity about the reforms of the Howard government.

This new legislation should be viewed through the prism of past experience—what worked and what did not. What Australia needs is for this government to take the very best of the Hawke, Keating and Howard government reforms and then employ them fairly. Labor has said that an old centralised wage-fixing system is not relevant to Australia’s modern workplaces and modern economy. Therefore, any attempt to return to the pattern bargaining and secondary boycotting practices of the past would be a direct contradiction of the policy Labor took to the last election. I was pleased to hear the Minister for Workplace Relations say in her second reading speech that pattern bargaining is not permitted. The CFMEU stated on its website:

The CFMEU makes no apologies for chasing industry-wide agreements that have common conditions and rates of pay. Pattern bargaining is neither illegal or against the interests of workers. In fact, it is the only way enterprise bargaining can work in a fragmented industry like construction.

Hopefully, this will put the CFMEU on notice. The Labor Party makes a great deal of protecting workers’ freedoms and yet under the previous system there were surprisingly few instances in the media of the terrible exploitation of workers which the Labor Party and the ACTU claimed had occurred. That might have been because the campaign was simply a new version of the good old fear and loathing campaign. However, whatever the rights and wrongs of that campaign the message was loud and clear. The Leader of the Opposition has acknowledged the fact that industrial relations was one of the major
factors in the election result last year. The job of this government is to ensure that the baby is not thrown out with the bathwater and that the many good initiatives of the past two decades are not sacrificed on the altar of ideological purity or discarded in order to do the bidding of its mates in the ACTU.

Make no mistake, the ACTU is hoping to go back to the days when it ran the industrial relations arena as its own fiefdom and had a disproportionate say in many of the rest of the decisions made by Labor governments. Who will forget the immortal and very revealing words of the former ACTU official and now member for Charlton, who was reported as saying, 'I recall we used to run the country, and it would not be a bad thing if we did again'? The power of the ACTU clearly came through its industrial muscle and through its symbiotic relationship with the Labor Party. This usurping of power must not be allowed to recur in the future. When reading through Labor's policy and the minister's second reading speech, one has a distinct feeling of déjà vu—'Where have I heard these words before?' The first frisson of familiarity was with the words 'minimum conditions', guaranteeing a safety net of enforceable conditions, including minimum wages. I was irresistibly reminded of Western Australia in 1993, when the Court government introduced the Minimum Conditions of Employment Bill, which later became an act and is still in existence. That act provided for minimum rates of pay, maximum hours of work, leave for illness or injury or family care, annual leave, bereavement leave, public holidays and parental leave.

This bears a striking resemblance to Labor's 10 National Employment Standards outlined in Forward with Fairness and in the minister's speech. It is very gratifying that the Labor government is acknowledging the fairness and responsibility of the Court government's industrial relations legislation by copying it so assiduously! Labor's IR policy also included a mention of work-family balance. Is it possible that Labor has kept and cherished a copy of Work and Family Makes Cents, a booklet put out by the Court government illustrating the benefits of having family-friendly work practices? I would like to think so.

The minister's speech also refers to freedom of association. Not unexpectedly, the greatest emphasis is put on freedom to join a union and participate in collective activity. The opposition of course supports freedom of association too, but in practice not just in words. I will support this legislation on the understanding that an employee's right not to join a union is as vehemently defended as the right to join. Unfortunately the history of industrial relations under Labor governments does not engender a great deal of optimism.

There have been cases in the past in which employees have been denied their right to freedom of association. One of the most notorious instances of which I am aware happened in the early 1990s in Western Australia. A woman working in the north-west claimed that she had been sacked for refusing to join a union—clearly a breach of section 96b of part VIA of the Industrial Relations Act 1979. An investigation was duly undertaken, at the conclusion of which a senior officer in the Department of Labour Relations quite properly recommended prosecuting the employer. In one of the most appalling cases of wrongdoing by a minister, the officer was 'admonished for submitting recommendation to prosecute and instructed by the minister to find legal advice to support a recommendation not to prosecute'. It is not only against the principle of the separation of powers for a minister to intervene directly in a decision to prosecute, but that a minister would lawyer-shop to get a legal opinion supporting a breach of the law is uncon-
scionable. I hope that such blatant abuse of the law would not occur under this legislation, and I am sure that the minister will undertake to ensure that it never would.

It is a welcome reform to Labor ideology that employees will have the freedom to choose their bargaining agent. This echoes exactly the same principles as those behind the introduction of free choice of bargaining agents in the Court government’s Workplace Agreements Act of 1993. It will be interesting to see if and how this freedom is upheld in the future. The legislation also reintroduces penalty rates. I sincerely hope that in either the legislation or regulations there is some mechanism to prevent abuse of penalty rates. They should be used for those working considerably longer than is normal, unsociable hours, weekends, public holidays or shifts. Penalty rates should not be abused, as they have been in the past, by some workers dragging out work just a few minutes after knock-off time and getting two hours of extra pay at time and a half, which was a regular occurrence in some workplaces.

The right of union or other officials to inspect employment records is yet another provision which was part of the much-maligned Workplace Agreements Act in Western Australia. It remains to be seen whether this right will be used responsibly or whether we will see a return to it being used as a transparent excuse to cause disruption in workplaces, as has been done in the past. There is another requirement of the legislation which has not had much attention. Ron McCallum, former Dean of Law at Sydney University, made an interesting observation in an article on the Bulletin web site. The article said:

... if the IR system is to be based on the corporations power in the Constitution, laws governing employment will have to conform with what is good for the corporation.

As I have said, there will be analysis of the details of the legislation in the near future, but the real assessment of this legislation will be in the results which accrue from its introduction. Apart from the level of industrial disputation, to which I have already referred, another criterion will be the level of income which flows from this legislation, taking into account the broader economic debate. It is worth noting that from 1997 to 2007, national income—that is, the real net national disposable income per person—rose from around $30,000 to around $39,000. It should also be noted that these figures are adjusted to remove the effects of price change.

Much has been made of the welfare of those on lower incomes. It is to be hoped that the new system will be as beneficial for those workers as the previous one was shown to be. The ABS says:
The average real equalised disposable household income of the low-income group is estimated to have risen by 31% over the period 1995-2005, although part of the increase may reflect improvements to the way income was collected in the survey from 2003-04. The same individuals were not necessarily in this income grouping for the entire period. But for those people who were, rising incomes on average would have provided a capacity to improve their standard of living.

The favourite catchcry of those in industrial relations and economic disciplines is productivity. It is to be hoped that the new industrial relations regime will be as successful in achieving the productivity gains of the last decade, when multifactor productivity rose by 1.1 per cent per year on average. We will now have to wait to see whether the rhetoric of fairness in this bill is borne out. (Time expired)

Mr HAYES (Werriwa) (1.43 pm)—I say to the member for Tangney that he would have lifted his credibility had he apologised to the Australian public for each and every occasion that he and other members of the
now opposition voted for these extreme, unfair industrial relations laws and for what they did to working Australians. We are here today to discuss the key or crucial productivity agenda that was taken to the last federal election, at which the Rudd Labor government got an overwhelming mandate for reform.

The Fair Work Bill 2008 delivers the government’s election promise set out in Forward with Fairness. More significantly, it gets rid of the Liberal Party’s extreme industrial relations laws, Work Choices, and replaces them with a fair workplace relations system. Notably, the bill is about bringing fairness and decency back to the workplace. It balances the needs of employers, unions and employees. As I said, it is about bringing fairness and decency back into each and every Australian workplace.

I am honoured to be among colleagues who will be making contributions today in respect of this bill, as this bill builds on the Workplace Relations Amendment (Transition to Forward with Fairness) Act, which was enacted in March this year—on the second anniversary of Work Choices, by the way. That act ended the making of AWAs and ended the regime that pitted worker against worker and mate against mate. There is nobody who went through the last election who does not know the significance of Work Choices and what it meant in all the electorates of this Commonwealth.

This bill will reintroduce a genuine no disadvantage test for agreements and commence the process of award modernisation. The significance of that is that, under Work Choices—only a couple of years back now—for the first time in our history it was made legally possible for people to be put on agreements which provided for less than the going award rates of pay. This actually occurred frequently in my electorate of Werriwa—and I know it occurred in every other electorate around the land—and it occurred because the Howard government’s industrial relations reform made it legally possible. It was not because there was an economic imperative to do it and not because there was an incapacity to pay. They did it because Work Choices gave employers the ability to freely go about reducing workers’ pay and conditions. Work Choices simply made it legally possible.

The bill before us today takes an additional step of abolishing those unfair and unjust laws. Quite frankly, we saw what the Australian population thought about those laws at the last election. This bill represents a tremendous moment in our workplace relations history, I think. After a decade of attacks from a conservative government, this is a genuine effort to put fairness and decency back into the workplace.

People suffered under the former laws. When people in Australia went to the ballot box, they got it right when they threw the government out, establishing a mandate for the Rudd Labor government. We are not talking here just about all those people who you would ordinarily think would have a stark objection to the laws—not all those trade unionists out there who campaigned against those laws and not all the ‘Your Rights at Work’ committee. Each and every member on this side of the parliament went out during the course of the last couple of years and visited railway stations, went to bus terminals and conducted street meetings, and one of the things that kept happening more and more was that people told us they were concerned not just for themselves, not just for their own conditions of employment, but for their kids and, in many respects, their grandchildren. People actually drew the distinction. Under John Howard’s industrial relations system, fairness and decency were stripped away. What people were protesting
about was what they wanted for their kids and for their families—that when they go to work they will be treated with fairness and decency. They want a dignified position. This bill is not just about having something which is so one-sided; this is about having something fair and decent in the way we treat one another in the workplace. That is what this piece of legislation is seeking to do.

Madam Deputy Speaker, no doubt you are aware that throughout my time in opposition I spoke frequently on these industrial relations laws. I objected to them when they were proposed. I spoke and debated them in this House on many occasions. I voted against them on each and every occasion when modifications were made to those laws. What we saw at the last election was the Australian people speaking out about their commitment not only when it comes to how they want to be treated but also how they want the system and the workplace to treat their families. That is why such an overwhelming mandate was given to the Rudd Labor government.

At the outset I talked about my own community in Werriwa. For those in the gallery, it is in the south-west of Sydney and takes in Liverpool and parts of Campbelltown. It is very much, as some might say, a working-class electorate. Under these industrial relations laws, people in my electorate had never been worse off. I have spoken in the parliament on many occasions, highlighting examples of workers who have been treated so unfairly. I will just recap, and I did this exercise this morning. I pulled out just a few cases I spoke about over the last couple of years—people such as Reinaldo Martinez, who was sacked. He was on leave and he was sacked by a telephone call from his employer. He was just told not to come back to work. There was no reason. When the employer was quizzed about it, he said, ‘The federal industrial relations laws allow me to do it.’ That is how it was rationalised. There are also people like Reynaldo Cortez, a father of five who lives at Bow Bowing. He was offered a ‘take it or leave it’ Australian workplace agreement that cut his take-home pay by up to $200 a week and he was told that if he refused to sign the AWAs, there were plenty of other people who would.

Employees at Lipa Pharmaceuticals at Minto were offered an AWA that proposed to undercut the existing industrial agreement by scrapping Saturday and Sunday hourly rates of pay, cutting the public holiday rates of pay and excluding all protected award conditions while providing the same rate of pay as their existing agreement. What is more, under what was proposed in that AWA there was no further pay rise for five years—after losing all those conditions. That facility had, from memory, something like 250 to 300 people working there. Obviously, I had some time for this company. I had spoken in many instances in the past about the good work they had done in my community, but when I pressed them on this what I discovered was that they did it not because of an economic constraint and not because of an incapacity to pay; they did this because the federal laws allowed them to do it. So why pay people more than you have to? If the laws say you can cut their wages and cut their conditions, employers will say, ‘Well, if that’s what our law-makers say, we should go ahead and do it.’ That is the responsible thing you would do for your fellow directors and your shareholders. That is what this company did.

Then there were those poor workers at Esselte in Minto. This was a strike that took place and went on for three months. These were all people on absolute minimum rates of pay—no over-award component at all—and the people who could least afford to be on strike. Courageous people like Warren Small and David Rojas withstood the winter
mornings going out there and harnessed so much support within my community; it was phenomenal. Do you know what they wanted? All they wanted was to be able to negotiate collectively with their employer—nothing more than that. There was no specific pay condition on the table; they wanted to be able to get their union to go there with them and negotiate with them. One bloke came forward and admitted to me that he was not literate. He said he did not feel comfortable going in by himself; he wanted to go through with a group of workers and his union. Under Work Choices, it was the employer who had the sole discretion as to whether they would negotiate collectively or not, not the employees—it had nothing to do with the employees at all. It did not matter if you had 100 per cent of workers in a collective arrangement; it was up to the employer as to whether they would negotiate collectively.

The Rudd government’s laws will bring back fairness. They will restore the pendulum where it belongs so there is balance between employees and employers driven by the desire to ensure that there is greater productivity in all Australian workplaces. Our laws have enterprise bargaining very much at their heart to drive productivity. They are about bargaining in good faith at the enterprise level, underpinning fairness and decency and having a safety net of conditions which cannot be traded away or stripped away. That is what makes these laws so critical. People have had awards in the past, and awards were always seen as being the bare minimum until the Work Choices legislation came down that gave employers the right to legally strip away award conditions. This is where we are restoring that balance.

The reasons are that, quite frankly, it is a commitment to the Australian people, it is the right thing to do, it is good for employers and it is good for the economy because having our direction very much squarely based on enterprise bargaining ensures that productivity remains front and centre when looking at industrial relations in Australian workplaces into the future. We will provide a strong safety net where workers across Australia, both in good times and in the less certain economic times that we are experiencing now, will be protected.

In complete contrast to the former Liberal government, the Rudd government has engaged in an unprecedented level of consultation in developing the Fair Work Bill, and this bill is better for it. The Fair Work Bill sets out the industrial system which replaces Work Choices and which will provide a comprehensive safety net of minimum wages and conditions that cannot be stripped away. The new employment standards, which will enshrine 10 basic rights, will double the protections offered under Work Choices. It will cover the vast majority of Australian workers under its unfair dismissal laws. It will remove the clear injustices and the feelings of insecurity of workers who found that they could be dismissed, as I indicated occurred to a constituent of mine at Werriwa, at any time and for no reason. The provisions will certainly enable and specifically address issues in respect of small business in terms of the code of conduct, the code of dismissal and protecting employees to the extent that ‘operational reasons’ will no longer be a defence for an employer wishing to make an unfair dismissal.

The bill legislates for good faith bargaining. The rules will have their emphasis on collective bargaining and do not differentiate between union and non-union agreements. Instead, an agreement will be made with the approval of the majority of workers in the workplace. That is hardly a thing that most people would have any objection to. This goes and discusses, at the workplace level, what is fair and what the requirements of
every member of the workplace are and, therefore, it will recognise the majority view on any workplace, whether they are union or non-union organised.

I would like to say that, at this point, I recognise that most workplaces in my electorate already do bargain in good faith and without any intervention. However, where that does not happen, this bill also enables Fair Work Australia to make orders to ensure that compliance with good faith bargaining requirements is attended to. The bill also establishes Fair Work Australia as the new industrial tribunal which will facilitate and approve collective bargaining agreements, adjust minimum wages and deal with unfair dismissal claims and workplace disputes. It will replace six existing bodies, including the Australian Industrial Relations Commission, and will see the end of bodies created by the Howard government such as the Workplace Authority, the Workplace Ombudsman, the Fair Pay Commission and the Australian Building and Construction Commission.

There are many other significant components of this bill. However, I do not think I am going to have the luxury of time to deal with them. It is important to note that this bill will ensure that employers and employees have access to a transparent, clear and simple system of workplace relations, one that is designed to help them—not hinder them—in looking after people’s rights and responsibilities. It will give Australian employees confidence, with a simple fair dismissal system, particularly for small business, which is something that I know will be welcomed by the 11,000 small businesses registered in my electorate alone. It will protect employees who are very much dependent on minimum wage protections. Importantly, this will assist those low-paid workers, those who are vulnerable and those without any real access to collective bargaining and ensures that employees have the freedom of association at each and every workplace. This will remove the employer having the sole discretion of whether they will collectively bargain with the employees or not and will ensure that the discretion will now be in the hands of the parties and the majority of the workers in any one particular workplace. I commend the bill to the House.

The SPEAKER—Order! It being 2.00 pm, the debate is interrupted in accordance with the standing orders. I take it that the member for Werriwa has concluded his remarks but if he has not, he would have leave to continue his remarks.

MINISTERIAL ARRANGEMENTS

Mr Rudd (Griffith—Prime Minister)

(2.00 pm)—I inform the House that the Minister for Foreign Affairs will be absent from question time this week as he is in Brussels and Oslo to hold consultations with NATO and European Union counterparts. The Minister for Trade will answer questions on his behalf.

CONDOLENCES

Lieutenant Michael Kenneth Housdan Fussell

Mr Rudd (Griffith—Prime Minister)

(2.01 pm)—I move:

That the House record its deep regret at the death on 27 November 2008, of Lieutenant Michael Kenneth Housdan Fussell, killed while on combat operations in Afghanistan, and place on record its appreciation of his service to his country, and tender its profound sympathy to his family in their bereavement. I wish to place before the House our sorrow as a parliament and as a government and as a nation and to offer our prayers and support to Lieutenant Fussell’s family and his friends. I would like to express my heartfelt condolences to Lieutenant Fussell’s mother and father, Madeline and Ken, his brother and fellow serviceman, Daniel, and his two sisters, Nikki and Nyah. We extend our sympa-
thy to his extended family and friends including his fellow service men and women, two of whom were also wounded during the incident which took Lieutenant Fussell’s life.

Lieutenant Fussell died leading Australian soldiers and serving his country. He is owed a special debt of gratitude that can never fully be repaid. The men and women of the Australian Defence Force are the pride of the Australian nation and the pride of the Australian people. Today they serve overseas with bravery and distinction to ensure the safety of Australia and to assist the people of other nations in their efforts to achieve stability and peace.

Lieutenant Fussell was a patriotic Australian and a valued member of his regiment. He had led Australian soldiers in both Afghanistan and in East Timor. He was known for his integrity, his determination, his love of life and his love of sport. Lieutenant Fussell lost his life serving his country and his mates. He is the seventh Australian soldier to lose his life in Afghanistan. His sacrifice and those of the other soldiers will not be forgotten.

The loss suffered by Lieutenant Fussell’s family is acute. I spoke to his mum the other night. They are a very stoic family but the dimensions of this loss are unspeakable and the fact that this family has offered to the nation two young men in uniform is, I think, a great testament to their sense of duty to the nation. Lieutenant Fussell’s mum spoke of him being a classic Australian larrikin and those of us who have been abroad and met and spent time with our men and women in uniform know the type of bloke that this fellow was—a very great Australian. His sacrifice will not be forgotten by this House nor will it be forgotten by the nation. On behalf of the Australian government we offer our prayers and our support to Lieutenant Fussell’s family and his friends and his comrades.

Mr TURNBULL (Wentworth—Leader of the Opposition) (2.04 pm)—I join with the Prime Minister and offer the condolences of the opposition for the death of Lieutenant Michael Fussell. Lieutenant Fussell was serving with the Special Operations Task Group when he was killed by an improvised explosive device while conducting a patrol in Urzuqan province on Thursday, 27 November.

Lieutenant Fussell was 25 years old. He was a member of the Sydney based 4th Battalion, Royal Australian Regiment. Two other Special Operations Task Group members were wounded in the explosion but, thankfully, we have been informed that they have made a recovery and have returned to operational duties.

Lieutenant Fussell enlisted in the Australian Army in January 2002 and attended the Royal Military College, Duntroon in 2005. Before his deployment to Afghanistan in January 2008 he had also been deployed on operations in East Timor in 2006 and 2007. The tributes that have flowed since his death described Lieutenant Fussell as not only a very capable, experienced and talented soldier but a very bright, engaging and well-respected young man. His death is a tragic reminder of the enormous danger our forces face in Afghanistan every day.

Lieutenant Fussell made the ultimate sacrifice serving us, serving Australia. He was there defending Australia’s values, wearing our uniform and serving under our flag. As the tragic events in Mumbai remind us, the threat from terrorism is very real and threatens Australians around the world. Our soldiers in Afghanistan are in the front line of the battle against terrorism. So today we mourn and honour a brave man who has given his all in a war against terrorism that
Australia and the free nations of the world must win.

Lieutenant Fussell was the oldest of four children. He leaves behind his two parents, his younger brother, Daniel, and his two younger sisters, Nikki and Nyah. On behalf of the opposition I extend our deepest sympathy to Lieutenant Fussell’s family.

The SPEAKER—As a mark of respect I invite honourable members to rise in their places

Honourable members having stood in their places—

The SPEAKER—I thank the House.

Debate (on motion by Mr Albanese) adjourned.

**MAIN COMMITTEE**

Lieutenant Michael Kenneth Housdan Fussell

Reference

Mr ALBANESE (Grayndler—Leader of the House) (2.08 pm)—by leave—I move:

That the resumption of the debate on the Prime minister’s motion of condolence in connection with the death of Lieutenant Michael Kenneth Housdan Fussell be referred to the Main Committee.

Question agreed to.

**MUMBAI TERRORIST ATTACKS**

Mr RUDD (Griffith—Prime Minister) (2.08 pm)—Mr Speaker, I seek to make a statement on indulgence.

The SPEAKER—Indulgence is granted.

Mr RUDD—On behalf of the government and people of Australia I would like to extend our deepest sympathies to the families and friends of the two Australians killed in the terrorist attacks most recently conducted in Mumbai in India. During this very difficult time our thoughts and prayers have been with the families of Mr Brett Taylor and Mr Douglas Markell, both of New South Wales.

Our thoughts are also with those Australians who were caught up in the violence, the four Australians who were physically injured in the attacks and the many others who have been affected personally by this terrible event.

As we grieve for our own citizens and injured, we must also bear in mind the extraordinary toll this has had on the people of India. We must remember too that citizens from around the world have been affected as well. We are truly now in a global village; an attack in any part of the world now affects us all. The Australian government extends its sympathy and condolences to the people and government of India and to other foreign nationals who have been caught up in this violence.

The Australian government continues to offer help to Australians who have been caught up in the violence. We are offering support to people to help manage the physical, the financial and, critically, the emotional impact of these attacks. This includes practical assistance such as counselling services, emergency accommodation, travel coordination and assistance in organising travel documentation.

These attacks remind us of the need to remain vigilant against terrorism in all its forms. We need to continue to take concerted international action against al-Qaeda and any other terrorist group. These terrorists are the enemies of us all, without distinction on national boundary. Australia stands with India at this time. We are offering any assistance that our friends in New Delhi may require. It is important at this point that we get to the bottom of this incident and track down those who have been responsible for its execution and for its planning.

India has faced a longstanding terrorist threat from a range of extremist and separatist groups, including Kashmiri militant
groups such as Lashkar-e-Taiba, otherwise known as LeT. This group has mounted previous attacks on India, including outside Kashmir. Certainly, there has been considerable activity on the part of this organisation in the past. Certainly no country has more experience in combating terrorism than India. We know that a group calling itself the Deccan Mujaheddin has claimed responsibility for this appalling attack.

It is too early to speculate on who precisely are the perpetrators of these attacks in Mumbai. We have confidence that the Indian authorities will investigate this thoroughly and bring those responsible to justice. We call on all nations to support India’s efforts. It is important at this troubled time that India and Pakistan work together to deal with the challenge of terrorism, to counter terrorism and to root out those groups who have been responsible. Australia welcomes the commitment by Pakistani President Zadari to cooperate in exposing and apprehending all culprits.

Despite massive efforts by governments around the world against international terrorism and many successes in disrupting terrorist planning, the fact is that al-Qaeda and other groups have proven to be resilient and innovative. The threat from international terrorism has not been eliminated. Australians, particularly when overseas, must continue to be vigilant. Australians when overseas will continue to be at risk from terrorism. It is time for the world to redouble our efforts to rid us once and for all of this scourge, the enemy of all civilised peoples.

Mr Turnbull (Wentworth—Leader of the Opposition) (2.12 pm)—Mr Speaker, on indulgence: on behalf of the opposition I wish to associate us with the Prime Minister’s remarks. We share the very fine sentiments he has expressed. As Thursday’s tragic events in Mumbai remind us, the threat from terrorism is very real. It threatens Australians around the world. This sordid and murderous assault on India’s most cosmopolitan city was designed to strike at the heart of the confidence that has seen India, in its economic growth, in its democracy, pull so many millions of people out of the very depths of poverty. It is designed to set India back on the path that it has undertaken.

There were many Australians in Mumbai on that awful night, as indeed there are on every night—working, holidaying, going about their business peacefully. The heart-breaking news for us is that at least two Australians, Mr Brett Taylor and Mr Douglas Markell, both of Sydney, have lost their lives at the hands of these murderers. Mr Markell was a constituent of mine and a former deputy mayor of Woollahra. He was a committed, energetic, hardworking, civic minded Australian. Our prayers and condolences go to Mr Taylor’s family and Mr Markell’s family, as indeed they go to the families of all those who have been killed or injured in this dreadful attack. The attack reminds us of the global threat of terrorism, its mindlessness, its cruelty and its indifference to the horrors that it inflicts on peaceful people.

Who among us will ever forget the photograph of one of the gunmen—barely out of his teens, assault rifle ready to kill, eyes crazed, no concern for the horror he was inflicting? We know from those cruel eyes that terrorism still stalks the planet. It is still out there poisoning young minds and making the world less safe and secure. We have seen it on 9-11 and with the Bali bombings. We have seen it in London and Madrid. We have seen it in the bombing of the Australian Embassy in Jakarta, and so the terrible list goes on. Now in Mumbai another 195 people or more, including 18 foreigners, have lost their lives as a result of this senseless savagery.
These dreadful events remind us that in a
global world, security is indivisible and that
the threat to free societies has not retreated.
We know also that we must remain vigilant
and resolute in our determination to confront
the enemies of freedom and democracy
wherever they may strike, and we offer our
support, our solidarity, our love to the people
of India and our help wherever we can to
defeat those who would seek to create chaos
and fear in our midst.

CONDOLENCES

Mr Jorn Utzon

Mr Rudd (Griffith—Prime Minister)
(2.15 pm)—Mr Speaker, on indulgence: to-
day we honour a great man who designed a
great building and through that great build-
ing made an extraordinary contribution to the
great city that is Sydney. It is with sadness
that all Australians reflect on the passing of
Jorn Utzon. Any of us who visit Sydney and
stay there from time to time—though I am
not a son of Sydney’s shores—and are con-
fronted once again, of a morning, by the sun
dancing on the sails of the Opera House are
reminded of what an extraordinary contribu-
tion this is. What Jorn Utzon did way back in
1957, 50 years ago, to come forth with a de-
sign like that was truly path-breaking. He
had an extraordinary sense of design and an extraordinary sense of innova-
tion.

To Australia he has given a great gift. It is
not just our view of the significance of the
building. Last year the Opera House was
inscribed on the World Heritage List and was
described by UNESCO as a ‘masterpiece of
human creative genius’. If you travel around
the world and ask anyone whom you see,
‘What is your image of Australia?’ there will
be a range of answers. But the one unifying
visual image is the sails of the Opera House.
We owe that to someone from a distant land,
who came here in response to an interna-
tional competition and had the flair to win
and the perseverance to prevail despite the
difficulties he encountered in so doing.

I think that it is fair and appropriate that
the Australian parliament today honours the
contribution of this great man. He gave Syd-
ney a great gift, but in so doing he gave Aus-
tralia a great gift. We honour him as a son of
Denmark but, as I said yesterday, his spirit
lives with us. We honour him too, in that
sense, as a son of Australia.

Mr Turnbull (Wentworth—Leader of
the Opposition) (2.18 pm)—Mr Speaker, on
indulgence: again I associate the opposition
with the fine remarks of the Prime Minister.
Jorn Utzon came from a nation of sailors and
a family of sailing boat builders. He was a
sailor himself. And he came to a city on a
harbour filled with sails and he created a
most remarkable building, a building that 50
years after it was designed still seems as
fresh and modern as it was the moment it
was conceived in Jorn Utzon’s mind.

What a remarkable creation the Sydney
Opera House is. It sits there in Sydney—
new, fresh, dynamic, the ultimate in moder-
nity, even though most Australians cannot
remember a time when it was not there. And
we have the other great symbol of our nation,
Uluru, as old as time itself. What a remark-
able thing it says about Australia that we
have those two great magnificent creations,
each of them speaking to our timeless,
our history, but also to the fact that we are a
young nation, a new nation always striving
forward.

Jorn Utzon has inspired so many archi-
tects around the world. If you go down to the
new National Portrait Gallery you will see
his inspiration there. Every city around the
world that chooses to hire a great architect—
many of them nowadays Australian—to
build an iconic building is saying to itself:
we want to have a Sydney Opera House; we want to do for our city what Jorn Utzon did for Australia. His building is a song in concrete. It speaks of Sydney but it is bigger than that. As the Prime Minister said, it speaks of a whole exciting nation always new, always looking to the future. Jorn Utzon’s son, Jan, said that when his father closes his eyes he sees the Opera House. Mr Speaker, when we see the Opera House we see in our eyes the spirit of Jorn Utzon.

**QUESTIONS WITHOUT NOTICE**

_Schools: Computers_

Mr Turnbull (2.20 pm)—My question is addressed to the Prime Minister. Does the Prime Minister stand by his 2007 election commitment, and I quote the Digital Education Revolution policy document, which says:

... to provide a computer on the desk of every upper secondary school student ...

Mr Rudd—Our commitment on this has not changed. Our commitment as part of the digital education revolution is to ensure that our kids are equipped for the challenges of the 21st century. That is why we put $1.2 billion out there for this program. That is why in discussions with the states and territories on Saturday we committed a further $800 million to this program. Do you know why? We want to get it done. We want every kid in the country to have proper access to computers.

Opposition members interjecting—

Mr Rudd—I would say to those opposite as they engage in partisan short-term politics on this: put up your hand those of you who do not want computers delivered to the classrooms in your electorate.

Opposition members interjecting—

The Speaker—Order, those on my left!
classroom to make sure they can compete in the world economy of the 21st century.

Council of Australian Governments

Mr Trevor (2.24 pm)—My question is to the Prime Minister. Will the Prime Minister outline the significance of Saturday’s Council of Australian Governments meeting on creating jobs, stimulating the economy and driving reform in key areas such as education, health and hospitals?

Mr Rudd—I thank the member for Flynn very much for his question because decisions taken here in Canberra affect hospitals and schools right across Australia, including in his electorate. For Gladstone and all those cities, towns and rural communities around Gladstone, the important thing is to get it right. On Saturday we took, head-on, the whole challenge of consigning to history the blame game, which has so plagued Australian federal-state relations for so many decades.

In the Council of Australian Governments meeting on Saturday we sought to do two things. Mindful of the global financial crisis, the first was to inject stimulus into the Australian economy—$15.1 billion of additional funding, capable of creating a further 133,000 jobs. That is what I call an addition to stimulus. We have done that on the back of the $10.4 billion package we announced in October which was capable of creating some 75,000 jobs; the $6.2 billion package to support the auto industry, an industry which itself critically supports some 200,000 jobs; and, of course, the $3.3 million grant to local governments through the local government infrastructure fund, most recently conducted here through the first meeting of the Australian Council of Local Government. That was our first objective: to ensure that we provided necessary stimulus to support growth and jobs in the midst of the global financial crisis—part and parcel of our economic stimulus strategy for the future.

The second part of what we sought to do was to prosecute the long-term reform agenda that Australia so desperately needs—a reform agenda which was allowed to swing in the breeze for the better part of a decade on the part of the government which preceded us. Firstly, in terms of education in this package, we have boosted our national investment in education by more than $3.5 billion in order to bring about an education revolution. There is a $42 billion national education agreement, representing something like a 23 or 24 per cent increase on the previous education agreement between Canberra and the states. What are its parts? Firstly, $550 million to upgrade the skills of our teachers and our principals; and, secondly, $1.1 billion for our 1,500 most disadvantaged schools to enable them to employ additional high-quality staff, including teacher aids.

These are important measures of long-term reform. They affect classrooms across the country. We have also reached agreement on more than $2 billion worth of reforms to teaching transparency and basic skills such as literacy and numeracy and provide the funding so to do. This is an education revolution in the quantity of our investment and it is an education revolution in the quality of our investment, because underpinning this new agreement between Canberra and the states—effectively negotiated by the Deputy Prime Minister—is this: we will have a quality education reform agenda for the future based on proper, full transparency of school reporting to families, communities and the wider national public. We can actually measure how schools are going. We will know where to boost our support to teachers, where to boost our support for principals and where to boost our support for the resources which they need. Overall, we will lift the...
year-12 equivalent education retention rate from its current doldrums of some 75 per cent to 90 per cent, which would put us at the right end of the OECD rather than being wooden-spooners, which is where we are at present. The education revolution and reform agenda were prosecuted through this meeting of the Council of Australian Governments on Saturday.

Secondly, on health, what we have also done through this important agenda of reform is to ensure that we provide proper support for health reform long term as well. The health agreement is of itself significant. Between 2003 and 2008, the Australian Health Care Agreement effectively ripped about $1 billion off the bottom line of the states in terms of their effective capacity to fund public hospitals across the country. It is easy to run around the country and attack state and territory governments for what is going wrong in public hospitals. But if you pull $1 billion out of their effective funding delivery that is part of what happens as a result. If you went back to the previous Australian Health Care Agreement, in the period prior to 2003, the indexation factor delivered was 6.3 per cent per annum—still not great. Post 2003, to satisfy their own interests in boasting of a better surplus and in the midst of revenue awash as a consequence of the resources boom, they reduced that escalator to only 5.3 per cent per annum. The result was to effectively pull $1 billion out of it.

Had we continued the Howard government indexation clause for the future, for the next Australian healthcare agreement, the states and territories would have been $5 billion worse off than they are as a result of the agreement which we forged on Saturday between the Commonwealth and the states. This is necessary to deal with the real performance of our public hospital system in the future. In addition to dealing with the fundamentals of the Australian healthcare agreement we also invested $1.1 billion in investment and reforms to build the skills and capacities of our health workforce: more trained doctors, more trained GPs, more trained specialists, more trained medical supervisors and more trained nursing supervisors. On top of that, there is a $750 million investment in a new national partnership with the states to boost the throughput of our emergency departments and, looking to the long term, an $872 million investment in preventative health care.

This is the first time—and I say this in this parliament today—that we have had a substantial long-term investment in preventative healthcare strategy for the future. We can apply band-aids to the hospital system and watch as the statistics grow, as the number of presentations at hospitals coming off the back of an explosion in chronic diseases is left unattended, or we can start to invest for the medium to long term. What we have done through the preventative healthcare strategy and the funding for it, delivered through the negotiating efforts of the Minister for Health and Ageing, was to deliver $872 million over six years. This is an important step forward for the Commonwealth and for the nation if we are at all serious about reducing the burden of our public hospital system in the future.

There are reforms in education to bring about an education revolution, reforms in the long-term funding of the public hospital funding base for the nation and reforms in other critical areas, such as dealing with preventative health care as well. But beyond those areas of reform, there are also agreements with the states and territories on closing the gap for Indigenous Australians and in the critical areas of disability and housing and on how we underpin and encourage long-term national microeconomic reform by rolling back this huge burden of regulatory
overhang on small businesses across Australia through a business deregulation agenda.

We are not talking about it but actually doing it, as the Minister for Finance and De-
regulation and the Minister for Small Business, Independent Contractors and the Ser-
vice Economy have been so effectively en-
gaged with their state and territory counter-
parts these recent months. In order to make
sure that happens, there is a $550 million
fund to incentivise states and territories to
deliver on the 27 areas of regulatory reform
that we have agreed upon to create one ob-
jective—that is, a seamless national econ-
omy. It was called for by the business com-
pany at the 2020 Summit. It has been acti-
vated through the COAG process and it will
now be funded through the incentive pool
that we have created.

On Saturday COAG represented a signifi-
cant outcome for the national economy: a
stimulus of $15 billion worth of additional
investment to the national economy capable
of creating 133,000 additional jobs. But,
most critically, it represented rolling back the
blame game, getting on with the business of
reforming the Federation, implementing the
education revolution, implementing long-
term reform for our public hospital system
and creating the Australia for the future
which the working people of this country
have aspired to for so long. We have taken
decisive action to bring it about.

Schools: Computers

Mr PYNE (2.33 pm)—My question is to
the Deputy Prime Minister. I refer to the
Deputy Prime Minister’s bungled computers
in schools pledge, which will now benefit
only half the students originally promised at
almost twice the cost. Why was the Grimes
report of 3 September, identifying an $800
million budget blow-out, kept secret from the
public until after the Prime Minister sought a
leave pass last Wednesday to run Labor defi-
cits? Will the minister guarantee that no fur-
ther taxpayers’ money will be required to
address the numerous additional bungles in
Labor’s already bungled policy?

Ms GILLARD—I do sincerely thank the
shadow minister for education for his ques-
tion. It gives me the opportunity to clarify
some of his wildly inaccurate claims which
have been made publicly. The fact is that the
shadow minister for education is not some-
one known for accuracy. Interestingly, on
ABC radio in South Australia this morning,
the radio journalist said to him:
Christopher Pyne, previously on two—
inaudible—your staff have sanitised our questions
from the transcripts that you issued to the federal
press gallery and others. Are you going to do that
with this interview?

The shadow minister responded:
Not if you don’t want me to.

The modern Liberal Party: an amalgam of
plagiariers and sanitisers. But when it
comes to claims about computers in schools
from this bunch of plagiarisers and sanitisers,
let me deal with the subject of the member’s
question.

The subject of the member’s question is:
how is the government’s program working to
deliver computers to students in schools? Let
me explain to him. We promised to bring
computers to students in years 9 to 12. And
we will deliver an effective one-to-one ratio
for those students. What was the first thing
that we did?

Ms Julie Bishop interjecting—

Ms GILLARD—I know ‘ratio’ is proba-
bly a confusing concept for the shadow
Treasurer; she might get someone to explain
it to her. The first step we took when we
came to government was that we audited to
see what the situation was in Australian
schools. We counted students and computers
that were four years old or less. What did we
find when we did that count? We found that
there were 280 schools—that is, more than 10 per cent of secondary schools—that had a computer to student ratio of one to 20 or worse. That is, 20 or more children were trying to get access to the one computer. Out of that 280, 110 schools had no computers at all aged less than four years—no computers at all. The record of the Liberal Party in this nation after almost 12 years of government was that Australian students did not have access to the learning tools of the 21st century.

We have started resolving that. We have allocated $1.2 billion to the direct provision of computers. We have rolled out round 1, benefitting more than 800 schools. Whereas the shadow minister has distorted all of this, the approach the government took in round 1 particularly was to move the schools most in need from their woeful computer to student ratios—

Mr Pyne—Mr Speaker, I rise on a point of order on relevance. The minister was asked very specifically whether she would rule out more money being used to prop up this failed policy, and she refuses to get to it. Will she guarantee no more funding?

The SPEAKER—The member for Sturt might believe that he has asked a very direct question, but if it was very direct it was only a short part of a very broad context that he used in the question. He knows, because he has been here long enough to know, that that has been used by the responder to make the response relevant.

Ms GILLARD—The core distortion that the shadow minister for education has engaged in concerns round 1, which was for the schools most in need, the schools with the worst student-to-computer ratios. The government said that round was to bring them up to an effective ratio of one to two. We always said that was the first part of the benefit for those schools in a program that was going to bring all schools up to an effective ratio of one to one for students in years 9 to 12—promised and going to be delivered under the government’s program—and then it comes to the time frame that the government outlined in its policy documents and its statement since. Then, of course, in the policy document that we published at the last election, we said:

A Rudd Labor Government will work cooperatively with State and Territory Governments and the Catholic and Independent schools systems to partner this program by ensuring schools have sophisticated ICT strategies—including training, client support, maintenance costs and integration with the school curriculum.

So we engaged COAG in the delivery of this program just as we consulted independent schools and Catholic schools.

At the first COAG meeting late last year the audit was agreed to. That is the audit which showed the shameful legacy of neglect of the Liberal Party opposite—an absolute disgrace, leaving students without any effective access to computers. At the second COAG meeting this year in March we agreed with the states and territories that we would work with them, particularly with the working group of COAG, to assess the legitimate and additional financial implications. That was when the Grimes review was commissioned. The Grimes review was obviously fed into the COAG discussions which resulted, on Saturday, in an additional investment to ensure that the on-costs and deployment of computers, on which we said we would work with the states and territories and the Catholic and independent schools systems, would be delivered; hence the agreement for $807 million. Of course, the Grimes review was made public after it had been worked through in the COAG processes. It was part of the confidential COAG documents up until that point. It is available now.
I say to the shadow minister opposite that, if he wants to go to government schools and say that out of this $807 million they should not benefit from $521 million of it, then he can have that discussion, government school by government school. If he wants to go to independent schools and say to them that they should not have the benefit of nearly $121 million more, then he can have that discussion, independent school by independent school. If he wants to go to Catholic schools and say to them that they should not have the benefit of almost $165 million more of investment then he can have that discussion, Catholic school by Catholic school. But what this government is going to get on with doing is what we promised: getting rid of the Liberal Party’s shameful track record of neglect in this area and making sure that students in our schools have computers. That is what the digital education revolution is about, that is what we promised and that is what we are going to deliver.

Council of Australian Governments

Mr CLARE (2.42 pm)—My question is to the Treasurer. Will the Treasurer outline the important economic reforms from the COAG meeting on the weekend?

Mr SWAN—I thank the member for Blaxland for his question. The meeting on the weekend was historic. It was a very important meeting, and there was an agreement which caused a substantial fiscal stimulus to the economy. It will create something like 133,000 jobs, and it is an additional $15.1 billion over five years. That is all important, but what was most important about the agreement on the weekend was not the fact that there was no bickering, although that was welcome, but the long-term reform that was contained in the agreement that was signed and the breadth of that reform across a range of critical policy areas that go to the extent of growth and opportunity in our economy. Whether it was in education, in health, in business, in families or in housing, we had ministers who had been working for over 12 months with their state counterparts to put in place fundamental reforms for the future which will drive productivity and underscore future prosperity in this economy.

What this agreement has done is to build the foundations of future prosperity by putting in place a central microeconomic reform. Whether it is teacher quality, is improving outcomes in disadvantaged schools, preventative health or progressing our movement towards a seamless national economy, this government made very substantial progress. Sometimes we hear those opposite claim that we have done nothing in 12 months, that we have done nothing across a range of areas. Through 12 months all of those ministers have worked hard with state counterparts to put in place the foundations for reform that those opposite could not do in 11 long years. That is the significance of the weekend and that is why it is so important.

Last year the Productivity Commission undertook a detailed study of what could be gained through cooperative federalism, and the commission found that joined-up efforts on human capital reform alone could result in increases in GDP of around nine per cent after 25 years. That is why this reform is so important. It adds to the productive capacity of the economy in the long term, but so many of the initiatives, particularly in housing and education, generate additional opportunity so that people’s talents are not wasted.

So it was a historic reform from that point of view, but it was also a historic reform from the point of view of federal-state relations. The number of specific purpose payments was reduced from over 90 to five—a very significant break with the past—and, of course, the introduction of incentives to drive reform at the state level was also important, and also new measures of transparency so
the impact of policy can be measured over time. All of these things were important. So this new federal structure which has been put in place will create jobs, it will drive reform and it will stimulate our economy.

Schools: Computers

Mr PYNE (2.46 pm)—My question is to the Deputy Prime Minister. I refer the Deputy Prime Minister to chapter 5 of the Grimes report, which suggests that funding to the non-government sector should be reconsidered as part of a non-government schools funding review in 2010. Minister, is the computers in schools program for non-government schools the first promise to go to the guillotine in the education revolution?

Ms GILLARD—The answer to the member’s question is no. Non-government schools are full participants in the government’s digital education revolution. Every non-government school in this country will benefit through the digital education revolution program. Can I say to the shadow minister opposite that, actually, the only threat to the funding of non-government schools in this parliament is the members of the Liberal Party who are proposing to block the Schools Assistance Bill 2008 and prevent it delivering money to independent and non-government schools from the start of next year. Can I refer the shadow minister in that regard to the media release today of the Association of Independent Schools of New South Wales— I know you do not want to hear it—

Mr Pyne—Mr Speaker, on a point of order; clearly the minister was asked a question about the computers in schools program. She is now answering on the Schools Assistance Bill. How could that be relevant to the question of computers in schools?

The SPEAKER—I do not wish to get into the policy matters that have arisen. The wording of the question included, to put it into context, the review of non-government funding to schools.

Mr Pyne interjecting—

The SPEAKER—I appreciate that, but that is the relevance rule that has been used in the past.

Ms GILLARD—In the media release from the Association of Independent Schools, Dr Newcombe said: What we don’t want is a situation where proposed amendments delay the bill until next year. This would be disastrous for many independent schools. The political party in this parliament that is threatening the funding of independent schools is the Liberal Party. Under the Rudd Labor government’s digital education revolution, every independent school, every non-government school, every government school in this country will benefit through the program. The shadow minister should know that. What the shadow minister should do is stop playing politics and threatening funding for non-government schools from 1 January 2009.

Health Funding

Ms RISHWORTH (2.49 pm)—My question is to the Minister for Health and Ageing. Will the minister outline to the House the importance of the health reforms agreed to by COAG at the weekend?

Ms ROXON—I thank the member for Kingston for her question. As we know, she maintains a keen interest in all things related to health, and so she might after such an important agreement being reached over the weekend. The Prime Minister and the premiers and chief ministers, as the Treasurer has already mentioned, negotiated a health-care agreement investing enormous amounts of extra funding into our health system. This importantly started the task of rebuilding after years and years of neglect under the previous government and, as well as invest-
ing much needed money into the health system, has resulted in a range of very important reforms—the building blocks that are needed to bring the health system into the 21st century, the building blocks that are needed to invest in the workforce, to invest in prevention and to invest in Indigenous health, where we know that health outcomes are falling so far behind the rest of the country.

The Prime Minister has mentioned that we are investing $64.4 billion over the next five years. This is an increase of more than $20 billion or, in other terms, 50 per cent over the last agreement, a very important change when you consider the money that was pulled out of the health system by the previous government when the last agreement was negotiated. But the funding is not in the form of a blank cheque either. It is directly targeted at key pressure points in our system: for example, $750 million going directly into emergency departments across the country. I do not think there would be a member in this House who would say that emergency departments in their hospitals in their electorates will not be able to use that money effectively. It will fund nearly two million extra emergency department services and is very welcome, I know. It includes $1.1 billion to train more doctors, nurses and other health professionals.

I want to take the time to explain to the House what, even in 2009, this massive new investment will mean. It means for the first time the Commonwealth will be providing a direct subsidy towards training for 63,000 students just in 2009: 33,000 nursing students, 13,000 medical students and 17,500 allied health students. That is just in 2009. So the magnitude of this investment into our workforce is critical and will build capacity for the future.

But this is not just about more money, as much as more money is needed. This agreement is also historic because of significant reforms that we are investing in. For the first time, this agreement is going to include very stringent reporting indicators. The states and territories will report hospital by hospital on key problem areas, such as infection rates, which will help drive improvements in quality. For the first time, this agreement focuses not only on hospitals but also, as the Prime Minister has mentioned, on preventative care, because we know we need to act now, invest now and plan for the future, something those opposite never did in health in their 11 or 12 years in government.

Importantly—and I know the Minister for Families, Housing, Community Services and Indigenous Affairs is particularly pleased about this, as are we all on this side of the House—this agreement invests a $1.6 billion combined contribution from the Commonwealth and the states into Indigenous health, an area that has been neglected for too long and that desperately needs this money. It is going to make sure that we can change long-term health outcomes for Indigenous people.

I did notice that the member for Dickson was out yesterday trying to get his name in the newspaper claiming that we were simply throwing good money after bad. So it seems that the coalition’s approach to hospitals, which is to cut money and keep cutting it, has not changed. The member for Dickson seems to be arguing for that again. He did seem a little confused and distracted and I wondered if that is just what happens when you are after someone else’s job and are not interested in the one that you are meant to be doing. COAG was a significant step forward in repairing the damage that was caused by those opposite and in preparing the health system for the challenges of the future.

Broadband

Mr TURNBULL (2.54 pm)—My question is to the Prime Minister. Does the Prime
Minister stand by his election commitment that through fibre to the node his government will deliver broadband to 98 per cent of Australians for $4.7 billion of taxpayers’ money?

Mr RUDD—The government’s commitment has not changed. Consistent with the discussion of sorts we have just had in this place about the state of digital education in Australian schools—the government was left with a mess on that score by our predecessors which we are now seeking to fix—when it comes to the state of high-speed broadband in the country, we are left with exactly the same challenge. According to the OECD comparative tables, we are lurking right down towards the bottom somewhere between the Slovak Republic and Slovenia. I would have thought that a modern economy seeking to build itself into a 21st century economy could do a lot better than that. But that is where the former government sat, and they flipped and flopped year in and year out without actually delivering any substantive outcome on that score. Broadband is critical in laying out the infrastructure of the 21st century. High-speed broadband is very much the railroad of the 21st century, the arteries of the new economy, and will be a critical piece of infrastructure for the future.

The government last week received proposals for the national broadband network. The government, as the honourable member will be aware, received six proposals. It is important to have an open process. The government’s independent expert panel will now have eight weeks to assess these proposals and provide advice to government. We intend to get on with the business of investing in the future.

Opposition members interjecting—

Mr RUDD—I am particularly taken by those opposite who are interjecting who literally sat on their hands about this piece of infrastructure that is so necessary for small businesses, families, and kids wanting to do their homework properly and connect with their teachers. We are making sure that the system is working properly; we are making sure that you can run a home based business. This government has got on with the business of rolling out a national broadband network. We are proud of what we intend to do. We have allocated funding for that purpose. We are getting on with the business of nation building for Australia’s future, which those opposite did not know the meaning of when they occupied these benches.

Schools: Funding

Ms SAFFIN (2.56 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations, and the Minister for Social Inclusion. Will the minister detail the weekend’s historic commitment to investment in education reform, and are there any alternative viewpoints to such agendas?

Ms GILLARD—I thank the member for Page for her question and for her interest in education in her local community. Last week, prior to the COAG meeting on Saturday, we had in this country Joel Klein, the chancellor of New York schools, speaking about education and transparency. Joel Klein has a remarkable turn of phrase when talking about the need to lift standards in education. He talks about the ‘soft bigotry of low expectations’, the belief that somehow poorer children cannot get a great education. The Rudd Labor government agrees with Joel Klein and we believe that we should be lifting standards in every school in this country. We are determined to deliver excellence and to deliver an education revolution in every school. That requires a set of interlocking reforms. That is why the COAG meeting on Saturday was so important, because it will deliver a set of reforms that lock into each other and work powerfully together.
The first is a new era of transparency, ensuring that we have publicly available information about school quality, the needs and characteristics of student populations within schools, student results, who is doing the teaching and the resources available to that school. Why do we want that information? So we can compare schools with similar student populations. If you see one doing a lot better than the other then you can ask yourself: what is the difference? The difference might be a teacher quality. The difference might be the quality of the principal. The difference might be the community engagement. It might be the resources in the school. Whatever factor we highlight is the difference between the underperforming school and the school that is doing well, we as adults, on behalf of the children in that school, can actually make a difference and fix it. That is why transparency is so powerful and so important. Secondly, we committed ourselves yet again to a national quality curriculum to lift standards in this country. Thirdly, we entered a new national education agreement—$42.4 billion going into schools around the nation. Then we also said that we would invest in a $550 million new national partnership on teacher quality and lifting the quality and support for principals around the country. Then we announced an additional $1.1 billion investment in disadvantaged schools around the nation and an investment of $540 million in literacy and numeracy. We also corrected a historic inequity between the treatment of government primary schools and government secondary schools under the national education agreement, and we will be investing $635 million in government primary schools—an additional investment—to end this longstanding inequity.

You would think that members in this House would be able to endorse this kind of agenda. Members in the House should appreciate that there is a member in this House who in 2006, on behalf of the then Liberal government, said:

We—meaning the then federal Liberal government—should not have to be investing in state run primary schools.

That was a statement to this parliament. It is very interesting to find out who made that statement to this House. It was none other than the member for Sturt, the current shadow minister for education, who does not believe that federal governments should be investing in government primary schools—a most remarkable statement.

Presumably that means the member for Sturt and the Liberal Party are opposed to this new investment of $635 million for government primary schools. Presumably that means the member for Sturt and the Liberal Party are opposed to any government dollars going into government primary schools. If that is the position of the Liberal Party then each and every local Liberal Party member in this place should go to every government primary school in their electorates and be honest enough to say, ‘The position of my political party, led by the member for Sturt on this question, is that you should not get a cent.’ That is what members of the Liberal Party would be obligated to do if they are going to follow the member for Sturt down this disastrous path of saying that a federal government should not be investing in primary schools.

We believe in investing in government primary schools and we are proud to be delivering an extra $635 million to them. We are also proud to be presenting to the parliament the Schools Assistance Bill. I make the point yet again that non-government schools in this country are now calling upon the Liberal Party to pass the Schools Assistance
Bill, stop playing their cheap and silly politics with schools and with children’s education, stop the threat that these schools will not be funded from 1 January 2009, endorse national transparency and endorse national curriculum—something the member for Sturt called today on radio ‘offensive’. We do not think transparency is offensive. We do not think national curriculum is offensive. We think it is part of an education revolution to lift standards around this nation. The Liberal Party should withdraw its threat to the funding of non-government schools and the Leader of the Liberal Party should make it clear whether he endorses his shadow minister and believes that federal governments should not put a dollar into primary schools, because it is clearly what his shadow education spokesperson believes.

An incident having occurred in the gallery—

Broadband

Mr BILLSON (3.04 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Minister, how will the government pay for the multibillion dollar funding shortfall in its fibre-to-the-mode broadband policy?

Mr ALBANESE—I am pleased to get a question from the former shadow minister for communications and pleased that he is getting a run now that he has moved further down the queue. As the shadow minister would be aware, the tender process closed last week. That is now with the expert panel. The expert panel will be giving appropriate advice to the government, and when the government receives that advice it will be making further announcements.

Indigenous Communities

Mr HALE (3.05 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. Will the minister update the House on the Australian government’s commitment to closing the gap?

Ms MACKLIN—I thank the member for Solomon for his question and for his very real commitment to closing the gap between Indigenous and non-Indigenous Australians. Australia has taken a very important step in the national effort to close the gap between Indigenous and non-Indigenous Australians. The Council of Australian Governments has now signed up to a $4.6 billion program of Indigenous reforms over the next 10 years. This is a landmark agreement and a major step forward for Indigenous Australians. Indigenous housing is fundamental to these reforms. The Australian government is now going to provide $1.94 billion in new funding for major Indigenous housing reforms.

In some remote communities, we have more than a dozen people living in a single home. Conditions are worse than basic: kitchens where you cannot cook a meal; bathrooms where you cannot bathe a child. Decent housing is critical to give Indigenous children a fair start in life. The reforms that were agreed to by the Council of Australian Governments on Saturday will mean that 4,200 new homes can be built and that there will be 4,800 major upgrades to homes. Some 9,000 Indigenous families will benefit. Australian governments have agreed to clear, new responsibilities to drive this change. The states and territories will take responsibility for tenancy management and repairs and maintenance. The Commonwealth funds will see new houses built, major upgrades done and housing assets made good.

The reforms will also see the rebuilding of positive community values and behaviour. There will be proper tenancy management arrangements put in place. Tenants will be expected to pay their rent and pay it on time. They will be expected to cover the cost of
any damage and be good neighbours. The reforms will also boost economic development as we see construction contractors required to employee Indigenous people.

The Council of Australian Governments also agreed to other important closing the gap measures. As the minister for health has already indicated, there will be $1.6 billion over four years to reduce chronic disease, $291 million over six years to improve the delivery of remote services, and $228 million over five years for jobs and economic development. All of these commitments made on Saturday build on the $564 million that was agreed in October for Indigenous early childhood development.

As well, the Council of Australian Governments reached social housing and homelessness agreements that the Minister for Housing has worked very hard on. These will help Indigenous people in urban and regional Australia meet their housing needs. The Prime Minister’s national apology created a new climate of hope and commitment in this country for both Indigenous and non-Indigenous Australians. COAG’s $4.6 billion investment reflects this and is a very important step forward in closing the gap.

Economy

Ms JULIE BISHOP (3.09 pm)—My question is to the Treasurer. I refer to the Treasurer’s failure to define the government’s so-called temporary deficit. Isn’t it a fact that the government’s plan to run deficits is about disguising policy time bombs and poor economic management, like the bungled computers in schools program and the bungled national broadband policy? Treasurer, given the government’s preparedness to go into deficit, what plan does it have to return the budget to surplus and pay off any debts?

Mr SWAN—The shadow minister has asked me about the deficit or a possible deficit. It is interesting that the Leader of the Opposition has not raised this issue at all today given the dilemmas that he got into on ABC radio this morning. We have said that a deficit is not necessary now but that it is irresponsible to rule it out. That is the case because of the global financial crisis. We have said that we will take whatever action is necessary and responsible in the circumstances to strengthen our economy and to protect jobs. Those opposite have said the opposite. They have clearly said that they will not act to protect jobs—they have clearly said that. But we have said that we will act. We have never ruled a deficit out. We have also said that if there was a temporary deficit then it should be for the shortest time possible consistent with strengthening growth and jobs.

Australians can take heart that there is a federal government and a Reserve Bank doing everything they possibly can to strengthen our economy, given the threat to our economy from the global financial crisis. We expect in all of this for the banks to play their role in being part of the effort to strengthen the economy and should there be a cut in official interest rates to pass it on as responsibly and fully as possible. We have said all of those things to strengthen the economy.

But where is the opposition in the middle of that? They will not act to protect jobs. On the radio this morning, the Leader of the Opposition boxed himself into a corner on the issue of deficits. He only has two options now: to repudiate his position of last week and admit he was wrong or continue in the fantasy land that he was in this morning. This morning, he was asked four times on the radio whether he would run a deficit. Four times, he dodged that question—four times. When he finally got pinned down, he said, ‘Look, it’s the quality of the spending.’ Which spending have we announced that does not meet that benchmark? Perhaps he
can answer that question. Is it the payments to pensioners and families? Is it the money that was spent in COAG? Is it money to be spent on infrastructure? What does not meet that standard?

Mr Pyne—Computers in schools.

Mr Swan—We now know that they are not in favour of additional spending on education—we know that. Those opposite can either be part of the solution or part of the problem.

Mr Pearce—Mr Speaker, I rise on a point of order on relevance so the Treasurer can have a drink of water. The Treasurer was asked what the plan is to repay the debt.

The Speaker—The Treasurer will respond to the question.

Mr Swan—The member for Sturt has confirmed they are opposed to that expenditure. Things are getting so confused over there that they are running around stabbing each other in the chest! You have the member for Sturt, the member for Dickson and the member for North Sydney all running around jockeying. What the community expects at the moment is leadership from political leaders, and what they want and what they are getting from the Rudd government is leadership to tackle the global financial crisis, to put in place decisive action—and it would help if those opposite got on board, because it is very important. What could be more irresponsible at a time of global financial crisis, for example, than to have the opposition attacking our regulators? What could be more irresponsible than that? Those over there are simply at sea when it comes to the whole question of the budget bottom line and what needs to be done to strengthen this economy and to protect jobs. Their attitude is: do nothing. Our attitude is to act decisively and put in place a range of policies which protect households and protect jobs.

Infrastructure

Mr Craig Thomson (3.16 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. What action has the government taken to boost private investment in infrastructure?

Mr Albanese—I thank the member for Dobell for his question and his ongoing interest in infrastructure, particularly on the Central Coast. On Saturday, COAG endorsed the national public-private partnership policy and guidelines that have been developed through the COAG Infrastructure Working Group and through Infrastructure Australia. Best practice nationally consistent PPP guidelines can save governments and industry more time and money and make the Australian infrastructure market more attractive to foreign investors. This is what the peak industry body, Infrastructure Partnerships Australia, chaired by Mark Birrell, had to say about these guidelines:

COAG’s adoption today of the new PPP guidelines will be welcomed by industry and means that, for the first time, Australia has a consistent method to assess the best option to deliver major infrastructure projects...

The adoption of these new national guidelines therefore marks an important step in the ongoing reform of Australia’s infrastructure marketplace.

This action is good for competition, good for the economy and, at the end of the day, good for taxpayers. There is no doubt that we had to take action after 12 years of infrastructure neglect from those opposite. It took them some five years to amend section 51AD and division 16D of the Income Tax Assessment Act, even after they were advised that this was actually a disincentive to private investment in infrastructure.

The Rudd government has acknowledged from day one that, whilst we are prepared to lift public investment in infrastructure, we
also want to mobilise capital from the private sector. In particular, we have looked towards the superannuation industry, where there are good long-term returns. Using super as infrastructure investment capital makes sense, but up until recently this was opposed by those opposite. Indeed, the former shadow minister for infrastructure, the member for Wide Bay, was cautioning against this when we made announcements in February. This is what he had to say:

There is $1 trillion in those funds at the present, but it is there for a particular purpose. Now we can’t ask those funds to spend money on projects—roads, dams, whatever it might be.

I was surprised to hear the shadow minister for infrastructure—the new one—yesterday discover the idea of superannuation going into infrastructure. They did nothing about it for 12 years, made no policy changes and were hostile to any reform, but yesterday the shadow minister for infrastructure said that he wanted to look at ‘removing the roadblocks to superannuation funds in Australia investing here’. I note that it appears in the Age today. It is a pity it was on the front page of the Age a month ago, when the government had meetings with the superannuation industry about this very issue.

But it seems that plagiarism is contagious on that side of the House. They are catching it along their front bench. They are adopting Labor’s policy then seeking to undermine it. Our reform agenda on infrastructure speaks for itself. We are the first government to engage not just the Commonwealth and state governments through the COAG process but also the private sector directly through Infrastructure Australia—a reform opposed by those opposite, a reform opposed month after month. We will see how they vote this afternoon on the government’s Nation-building Funds Bill. We will see how they vote and whether they support the reform agenda that is being put forward by this government, which is committed to nation building.

Council of Australian Governments

Mr ROBB (3.20 pm)—My question is to the Prime Minister. I refer the Prime Minister to his repeated promises to re-engineer federalism. Prime Minister, isn’t it a fact that apart from the five special-purpose payments there are 19 national partnerships, including six new national partnerships announced this weekend alone, which contain, among other things, 28 desired outcomes, nine critical reforms, eight performance measures, eight directions, six targets, six implementation plans, six outcome measurements in five elements, three reporting requirements and three areas of focus? Prime Minister, how exactly has this streamlined the arrangements between the states and the Commonwealth?

Mr RUDD—If that was intended as a job application from the member for Goldstein, he should try again. Maybe the member for Curtin will survive another week because ‘Yond Cassius has a lean and hungry look’ and a very activist briefing strategy, as we have seen in recent days. On the question of the reform of federalism: firstly, prior to this COAG there was something in the order of 96 specific purpose payments; and, secondly, as a result of the meeting and the agreement reached by all premiers and chief ministers, including the Liberal Premier of Western Australia—I note in passing—that number has been reduced to five. The core element of the reform, as it goes to both the specific purpose payments and the national partnership agreements, is this: rather than have an exclusive focus on input measures for the future, let us have a commonly agreed system of measurement to work out what exactly is produced as a consequence of funding arrangements between the Commonwealth and the states. In other words, how many people are being treated within a given
time frame in emergency departments? How many elective surgery procedures are being undertaken as a consequence of agreements between the Commonwealth and the states? What are we achieving in terms of transparency outcomes from schools? What are we achieving in terms of the proper training of principals to become change managers within their schools? What outcomes should be delivered when it comes to the future provision of public housing? Each of these reforms, gone over painstakingly by Commonwealth and state ministers and officials for 12 months, has been about a fundamental transformation of the way in which Commonwealth-state relations work.

In the past what the Commonwealth did was walk up and say: ‘Here’s a bucket of money—less than last time. Take it. Goodbye. So long. We don’t care about it.’ Why? The political agenda of the member for Goldstein—if the member could be bothered to focus on the answer which is being delivered to the question he just asked—is politics first, second, third and last in every single equation and the political agenda of those opposite was as follows: they wanted simply to preserve a political agenda to blame the states on every occasion possible, a tired political script of which every family and every community group in the country has, frankly, had a gutful. They want some change, they want transparency and they want to know what is actually being delivered by virtue of the taxpayer dollars which are being invested.

Therefore, the reform of the Federation is consistent with the principles that we articulated in opposition to begin ending the blame game, to produce outcomes measures for this $15.1 billion investment with the states and territories into the future so that we genuinely produce better hospitals, better emergency departments, better arrangements for elective surgery, better schools, better public housing, better services for the homeless and better arrangements for closing the gap between Indigenous and non-Indigenous Australians. That is the reform agenda. I would suggest that those opposite became interested in reform because this government is committed to the national interest in the long term. Those opposite, led by the Leader of the Opposition, are interested in one thing—that is, their political self-interest. The stark difference between these two agendas screams out today in terms of the pattern of questions embraced by those opposite as being opposed to the policy and project of reform action that we have articulated.

I finish with this: the member for Sturt let the cat out of the bag before on computers in schools. In response to the presentation by the Treasurer about what quality funding and what quality spending those opposite would support or not support, the member for Sturt, the shadow minister for education, said, ‘Funding for computers in schools did not fit that criteria’. Unless the member for Sturt and the Leader of the Opposition stand at the dispatch box and repudiate that position, let it so be declared on 1 December 2008 that the federal Liberal Party stood opposed to the delivery of funding for computers in schools. That is what the member for Sturt said before. If it is not your policy, stand up and confirm that it is not your policy. This government has a program of reform; you have a program of politics, pure and simple.

Thailand

Mr NEUMANN (3.26 pm)—My question is to the Minister for Trade, the Minister representing the Minister for Foreign Affairs. What is the government doing to assist the Australians affected by the disruptions at Bangkok’s two main airports?

Mr CREAN—I thank the member for Blair for his question. He has raised with me his concern in this area. He has had a number
of families in his constituency asking about the circumstances of getting their families home. The government has become very frustrated with the consequences of the events that have occurred in Thailand but no more frustrated than those that are stranded there in Thailand and seeking to get home.

Over the weekend, the Minister for Infrastructure, Transport, Regional Development and Local Government contacted Qantas to see what could be done to ease the situation. I am pleased to advise that they are putting on a flight, which will leave very early tomorrow morning, through Phuket that has the capacity to bring 300 Australians back home.

At the embassy level, we have been very active in engaging. We have taken 3,000 calls from people wanting further information as well as canvassing the hotels in Bangkok seeking to establish the particular circumstances of Australians, and some 400 Australians have been contacted in this context. Of course, one flight is not going to be enough. We have had further discussions with Qantas and with Jetstar, and I am pleased to be able to also inform the House that just this afternoon Qantas has indicated it has scheduled a second emergency flight to leave early Wednesday morning, again through Phuket. Jetstar is also rescheduling its Melbourne-Bangkok flight through Bangkok. So between the three of these aircraft there will be something like 900 seats out of Thailand. I would like to place on record our appreciation to both Qantas and Jetstar for the effective and constructive way in which they have responded to the concerns of these families that have been expressed not only through the government but through the members of this House. I should also indicate that the two airports—the international airport, Suvarnabhumi, and the domestic airport, Don Muang—remain closed. This is disrupting many opportunities for people to get home.

We are concerned about the circumstances in Thailand and today we have reviewed and reissued the travel advice. Whilst the overall level of advice on Thailand as a whole has not changed, the level of advice for Bangkok has and we are recommending now that people reconsider their need to travel to Bangkok at this time due to the continued closure of the main airports and the limited availability of flights.

A final point I would make is that these demonstrations and protests are causing enormous damage to the economy of Thailand. It relies very heavily on the tourism market, but it is also a significant trading facility within the region. Our very strong urging, through the frustration that we are experiencing, is for the parties involved in this to resolve their differences and get the country back to normal. Its resolution is not only in the interests of allaying the concerns and frustrations of Australian families in terms of their loved ones but also, in this current global financial crisis, in bringing order, stability and confidence back where it is most sorely needed.

Emissions Trading Scheme

Mr IAN MACFARLANE (3.31 pm)—My question is to the Prime Minister. I refer the Prime Minister to the article in today’s Newcastle Herald which says up to 36,000 jobs in the Hunter region would be put at risk by Labor’s emissions trading scheme. Will the Prime Minister be prepared to guarantee these 36,000 workers and their families that their jobs are indeed secure and that their industries are viable?

Mr RUDD—The government takes seriously the future pressures and stresses which will be placed on employment in Australia. That is why we have embraced and implemented an Economic Security Strategy of
$10.4 billion, which is capable of generating some 75,000 jobs. That is why, as the second part of our Economic Security Strategy, we have also embraced a car plan for the future of $6.2 billion to support an industry which currently employs some 200,000 Australians. Thirdly, that is why we have embraced our local government infrastructure program in our arrangements with local authorities when we convened recently here in Canberra. Fourthly, there is the outcome of the Council of Australian Governments of $15.1 billion in additional funding capable of generating employment, again, of some 133,000 jobs over the period covered by the agreements.

When it comes to the future of the Carbon Pollution Reduction Scheme the government in the development of its strategy has been entirely mindful of, firstly, dealing with the challenges we all face with the future of greenhouse gas emissions and, secondly, doing so in an economically responsible fashion. I contrast that with the government that we replaced which, after 12 years in office, did absolutely nothing, including failing to ratify Kyoto, failing to take any concrete action in terms of the finalisation of an emissions trading scheme and failing to act at any real level of policy. Internally throughout that period the Liberal Party and the National Party were split right down the middle on the question of climate change, replete with climate change sceptics across their joint party room, and that remains the case today, particularly led by my good friend the member for Groom, who is kind of the climate change sceptic from Central Casting. If you want a climate change sceptic, go to the member for Groom—I know this bloke very well. He has never believed in climate change from day one and that remains his position today.

In designing the Carbon Pollution Reduction Scheme the government has produced a green paper. We have outlined there our approach in obtaining the right balance between protecting the environment through proper attention to bringing down greenhouse gas emissions in the future for Australia and internationally and, at the same time, bringing about appropriate structural adjustments for Australian industry. We are entirely mindful of getting that balance right. In 12 months we have travelled further than the previous government travelled in 12 years on this not just through the ratification of the Kyoto protocol—

*Opposition members interjecting—*

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

**Mr Rudd**—It is wonderful to hear the climate change sceptics from Central Casting howling.

**The SPEAKER**—The Prime Minister will bring his answer to a conclusion.

**Mr Rudd**—We have a clear-cut strategy for the future. We will get the balance right.

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

**Climate Change**

**Mr Champion** (3.35 pm)—My question is to the Minister for the Environment, Heritage and the Arts. What action is the government taking to transition Australia to a low-pollution economy and are there any threats to Australia’s climate change response?

**Mr Garrett**—Mr Speaker, 2008 has been a big year for Australia when it comes to climate change with a number of important actions from the government to enable the transition to a low-pollution economy. After 11 years of inaction, we still have a lot of ground to make up, but we have made significant and important progress on the way. As the Prime Minister has just remarked, we ratified immediately the Kyoto
protocol. We received the reports of Professor Ross Garnaut. We released an extensive green paper on the Carbon Pollution Reduction Scheme and consulted widely on the propositions set out in that paper. We have completed the most comprehensive economic modelling exercise undertaken by the Australian Treasury on the costs of climate change action. Last week the government announced that it would round out the year by releasing the Carbon Pollution Reduction Scheme white paper and medium-term target range on Monday, 15 December.

The government understands that the current global economic circumstances make the task of governments around the world that much more difficult. But transitioning to a low-pollution economy is vital for Australia’s long-term prosperity and the global financial crisis makes it more, not less, important that we tackle the big economic challenges. This is an economic reform that the government knows we must undertake. We know the economic costs and the environmental consequences of failing to act on dangerous climate change are great. We will have rising sea levels, more coastal inundation, more frequent and intense droughts, impacts on tourism and, of course, impacts on jobs as well. We understand that growing the green-collar economy and having a forward energy efficiency strategy mean there are significant opportunities for skilled employment and that jobs will be a focus for the government in that respect. So we cannot simply delay the challenges of the future because the economic circumstances are difficult today.

The Leader of the Opposition says that he supports action on climate change, but we are yet to see any evidence of that from the coalition. We have seen evidence that the Leader of the Opposition could not convince his former cabinet colleagues to take serious action on climate change. We read about that in the newspapers when he could not convince them to ratify Kyoto. We have seen evidence that the member for Goldstein, who is assisting with the coalition’s emissions trading policy, thinks that climate change is a leftist fad, that it is the new communism. And, of course, we know and we have seen evidence that the member for Groom cannot wait to roll out nuclear reactors around our coastline.

The question here is: where is the evidence of the Leader of the Opposition’s ability to unite the coalition on climate change action? We will not find any evidence of that today because we now have the National Party refusing to support carbon sinks legislation—legislation that was introduced by the previous government when the Leader of the Opposition was environment minister. That is right: the coalition are divided on legislation their own leader described as ‘a key element in addressing climate change’. This is the second example in two weeks of the opposition failing to support legislation that the Leader of the Opposition championed when he was environment minister. We hope that the opposition leader will be more responsible when it comes to passing the water bill this week.

Next year, the government will introduce landmark legislation on the Carbon Pollution Reduction Scheme and we expect a critical and robust debate in this House because this is a substantial economic reform. But the Leader of the Opposition’s handling of the Carbon Pollution Reduction Scheme debate depends on there being some unity on the other side of the House on this issue. Given that they are divided on carbon sinks legislation, given that there is a cabal of climate change sceptics, given that the member for Goldstein is out there talking about communist plots, given that the opposition leader will not stand up to the member for Groom who talks about nuclear issues, when will the
opposition leader show us exactly what the coalition stands for on climate change?

Asylum Seekers

Dr STONE (3.40 pm)—My question is addressed to the Prime Minister. I refer the Prime Minister to the recent surge in the number of boat people attempting to reach Australia and the statement by the chief of mission in Indonesia—

Government members interjecting—

The SPEAKER—Order! When the House comes to order we will continue.

Dr STONE—I will start again. My question is addressed to the Prime Minister. I refer the Prime Minister to the recent surge in the number of boat people attempting to reach Australia and the statement by the Chief of Mission in Indonesia of the International Organisation for Migration, Mr Steve Cook:

People smugglers have clearly noted that there has been a change in policy and they’re testing the envelope.

Given the fact that the government has stood down half of Australia’s patrol boats for two months over Christmas and will have only around 320 naval personnel on active duty in Australia over this period, isn’t the government giving a green light to people smugglers?

Mr RUDD—There they go again! And a highly principled question from the member for Murray.

Mr Hockey—What, it can’t be asked? Is that what you’re saying?

The SPEAKER—Order! The question has been asked and the Prime Minister is responding.

Mr RUDD—The member for Murray referred to ‘a surge’ in boat people. In 2008 there have been four boats with 48 passengers. In 2007 there were five boats with 148 passengers. If this year we have had a surge, that was a deluge. I would suggest that the honourable member for Murray in asking her principled question begin by framing her question on the facts in terms of where boat arrivals and passengers on board have stood this year against where they stood last year and during the full duration of her government’s period in office. Fact 1.

Dr Stone—Mr Speaker, I raise a point of order on relevance. The facts of the matter are there have been eight boats since August—

The SPEAKER—Order! The member for Murray will resume her seat. She has asked her question. The Prime Minister is responding to the question. Prime Minister.

Mr RUDD—The contention by those opposite, and this has been the general commentary as well, that people smugglers are somehow back in business assumes that people smugglers have somehow been out of business in the past. I would suggest to those opposite, particularly those engaged in the foreign policy debate, that they acquaint themselves, in a conversation with our friends in Indonesia and elsewhere, with the fact that the people-smuggling industry has continued over the years. The critical question is how we cooperate with our friends in the international community, most particularly in the Republic of Indonesia, in dealing with this challenge. This government, like the government which preceded us, seeks actively to work with our friends in Indonesia to do so. We will continue to do so at every level. Furthermore, in terms of the matters which the honourable member referred to about the deployment of Australian naval resources, can I say again: her facts are inaccurate.

Economy

Mr SIDEBOTTOM (3.45 pm)—My question is to the Assistant Treasurer. Will the Assistant Treasurer outline to the House
the need for economic credibility in assessing government spending programs? What current actions threaten sensible budget measures and the government’s economic strategy?

Mr BOWEN—I thank the member for Braddon for his question. The House is well aware that this year’s budget contained a number of measures to protect government revenue and ensure the integrity of the tax base going into the future. It is fair to say that some of these measures have been controversial, with the Liberal and National parties opposing these measures in this House and in the other house.

These are the same people who over the last week have been doing their best to outdo Herbert Hoover as they argue that surpluses must always be protected at all costs. The irony of the Liberal and National parties opposing revenue and savings measures while ramping up their rhetoric about budget surpluses appears to have escaped them. But on this side of the House we know that the $40 billion hit which has been carried out on the federal budget as a result of the global financial situation has made these measures even more important.

Not only does the opposition not understand this, but their irresponsibility has reached new levels. I have to report to the House that the Liberal Party is planning to gut another revenue measure by this government. The opposition has indicated that they will tonight in the other house vote to emasculate the government’s measure to require the superannuation of temporary residents to be paid to the Commonwealth after that resident has left Australia and their visa has expired. This is a sensible measure and emasculating it will have no benefit for any Australian or for the Australian economy. Gutting this measure will not stimulate the Australian economy and it will not add to the savings of any Australian. The only thing that this measure by the opposition will do is potentially blow another $860 million hole in this budget.

This measure has been uncontroversial up until now. Of all the revenue measures that the government announced, this is one that the opposition have not opposed up until now. Apart from it being good policy, there is another reason this has been uncontroversial. This government is always keen to give credit where it is due, and this policy was not all our idea. In fact it was announced on 15 October last year by the previous Treasurer. The member for Higgins said on 15 October:

I am announcing today that, effective from 1 July 2008, all future superannuation contributions and balances for temporary residents will be required to be paid to the Australian Government which will hold them on behalf of those who are entitled to them.

It is a good policy, Mr Speaker, one that we are happy to implement. I table the former Treasurer’s press release announcing the measure and, through you, say to the shadow Treasurer: why don’t you plagiarise this one? This is more material for the member for Dickson, who has been out all weekend undermining the member for Curtin, backgrounding newspapers that she has got to go. And now there is more material for the member for Dickson to use in his campaign to become shadow Treasurer.

Mr Randall—I rise on a point of order, Mr Speaker. I refer to standing order 90 about reflections on members and ask that he desist.

The SPEAKER—Order! The Assistant Treasurer will respond to the question.

Mr BOWEN—This brings coalition recklessness to a new level. We know that they oppose our sensible measures but now they are opposing their own. Mr Speaker, on the one hand they lecture us on fiscal rectitude,
but on the other hand they oppose sensible ideas to protect government revenue. It is just another reminder that when it comes to the Leader of the Opposition you have got to look at what he does and not at what he says.

**Economy**

**Dr SOUTHCOTT (3.49 pm)**—My question is to the Minister for Education, Employment and Workplace Relations and Social Inclusion. I refer the minister to the Prime Minister’s estimate that the economic stimulus package will create up to 75,000 jobs over the coming year and, in addition, the government’s estimate that the recent COAG agreement will create 133,000 jobs. Minister, can you advise when these jobs will be created and in which sectors the majority of jobs will be created?

**Ms GILLARD**—I thank the member for his question. Yes, this is a government that has acted decisively to keep this nation in front as we confront the global financial crisis and its effects on our real economy. I know that, day to day, members of the Liberal Party equivocate about whether or not they support our $10.4 billion economic security statement. The Leader of the Opposition was equivocating on radio this morning. We put that money into the economic security statement because we wanted to ensure that we were doing everything we could to protect Australian jobs. The estimates are that that statement and the economic activity that it is obviously going to prime are worth 75,000 jobs. What sectors are they in? We have obviously put money into the hands of families and pensioners so the economic activity will be reflected in the things that they buy and use, and we have directly put money into the residential construction sector through the first home owners grant and its extension to $21,000 for people who enter a contract for a newly-constructed home. On the COAG announcements on the weekend, once again it is more money into the economy, more money where it will make a difference in health services and in education.

**Dr Southcott**—Mr Speaker, I rise on a point of order. The question was on jobs and it was very specifically on jobs. I am calling the minister to relevance and asking her if she can advise when and in which sectors—

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

**Ms GILLARD**—I was talking about jobs: jobs in our economy, jobs flowing from the economic security statement, jobs in the construction sector—I know this is complicated for the member, but if he just sticks with it he might learn something—and then more money out of COAG on the weekend into vital services—education, health, disability and social housing. Obviously, for the provision of those services, the construction of social housing is associated with jobs. That is, people work to get those things done. That is why the Prime Minister, when he spoke about these matters on Saturday surrounded by the premiers—including the Liberal Premier of Western Australia—indicated that the COAG deal was there to provide all those vital services and also to deal with some of the circumstances we find ourselves in after the global financial crisis with its impacts on the Australian economy. We are doing everything we can to ensure that we protect and create jobs in this country.

**Education**

**Ms CAMPBELL (3.53 pm)**—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. Will the minister update the House on the phasing out of full-fee-paying undergraduate university places for Australian students, and are there any other views on paying for education?
The SPEAKER—I would remind the House that ‘any other views’ is not something that I look upon with great expectation of where it might lead. I hope the comments are contemporary, rather than ancient history.

Ms GILLARD—I thank the member for Bass for her question. I know about her interest in university education, having met with various university education people in Tasmania as a result of her recommendations that I do.

This is a government that is proudly committed to phasing out full-fee-paying places for undergraduate students in Australian universities. That is because we believe that access to university should be based on merit, not capacity to pay. Of course, we are now in the last sitting week before this policy will start to be implemented. It will be implemented in the next academic year: in the 2009 academic year, the phase-out will begin. In terms of the phase-out, we have provided transition funds to universities. We have also provided extra Commonwealth supported places. We obviously want to enable Australian students to be undergraduates. We want the Commonwealth supported places to be there but we do want to make sure that all of this is done on the basis of merit, not capacity to pay. This is a great Australian value.

I have been asked whether or not there are alternative approaches on the question of paying for education. We know, of course, that the former Liberal government, after promising that there would not be $100,000 university degrees in this country, implemented just that. They introduced into this country the concept of Australian students paying for their undergraduate places. We are getting rid of that. When we look at the contributions of past education ministers on this question, the contribution of the member for Bradfield and the contribution of the current shadow Treasurer, they were people who supported Australian students paying for their undergraduate places.

My attention has been drawn to a series of statements by the shadow Treasurer on the question of education and the question of paid-for courses. My attention has been drawn to a statement she made in April 2006 where she talked about her own studies and said that she was privileged to be an international student at Harvard. Then in July 2006 she went on to describe that she was an international student at Harvard Business School in the mid-1990s, living amongst and studying with 180 senior business people from over 35 countries. She is nodding—that is right.

Mr Hockey—Mr Speaker, I rise on a point of order. What has this got to do with running the country? What is the relevance?

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

Mr Randall—Not bad from an ambulance chaser!

The SPEAKER—The member for Canning will withdraw.

Mr Randall—Mr Speaker, on a previous occasion you did not make me withdraw when I said exactly the same statement. Can we be consistent, please? Seriously, you did not ask me to withdraw last time when I said exactly the same words.

The SPEAKER—I invite the member for Canning to withdraw.

Mr Randall—Mr Speaker, to help the House, I withdraw.

An opposition member—It’s Christmas!

The SPEAKER—Perhaps in the new year, if the House has concerns about what ends up happening when the questions are broad, they will deal with the matter. I will listen carefully to the Deputy Prime Minister’s response.
Ms GILLARD—On the subject of paying for education, my point is simply this: the shadow Treasurer has obviously tried to create an impression that she was at Harvard for an extended period of time in the mid-1990s. The truth is she was there for a summer program, for a course that now costs $60,000. That is $10,000 per week, $2,000 per day.

Mr Pyne—Mr Speaker, I rise on a point of order. The Deputy Prime Minister was asked a question about domestic full-fee-paying students, and she is talking about courses taken overseas. How could that be relevant to the question about domestic full-fee-paying students?

The SPEAKER—I do not wish to get into a debate with the member for Sturt. I simply say that the precedents and the way that the House has handled that particular point of order means that it could have quite easily been done, because it goes to full-fee-paying university places.

An opposition member—In Australia.

The SPEAKER—No—in a discussion of that policy matter. If the House wants to deal with these things, I repeat: the concern that the House actually has is that whilst questions cannot debate the matter—although I think the member for Sturt will recognise that he was given great generosity with an earlier question on that matter—in the past the answers have been allowed to debate the matter, because the House has not taken on board Procedure Committee recommendations to apply the same rules to questions and answers. The Deputy Prime Minister will respond to the question and bring her answer to a close.

Mr Hockey interjecting—

The SPEAKER—The Deputy Prime Minister has the call!

Ms GILLARD—Thank you very much, Mr Speaker. Can I say to members of the House generally and particularly to the shadow Treasurer that you do not buy credibility; you earn it—something she has got to learn.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Health Funding

Ms ROXON (Gellibrand—Minister for Health and Ageing) (4.01 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Ms ROXON—I wish to add to an answer I gave to a question asked today by the member for Kingston in relation to health reforms agreed to by COAG at the weekend. I inadvertently referred to 2009 in my answer when it should have been 2010.

Thailand

Mr CREAN (Hotham—Minister for Trade) (4.01 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr CREAN—When I was answering a question today from the member for Blair in relation to what the government is doing to assist the Australians affected by the disruptions at Bangkok’s two main airports and I was talking about the rescheduled Jetstar flight that is scheduled through Bangkok, I think I said it was still going to go through Bangkok. I of course meant to say that it was to go also through Phuket.

QUESTIONS TO THE SPEAKER

Main Committee

The SPEAKER (4.01 pm)—Last Tuesday I informed the House that I would sympathetically consider options for incorporat-
ing into *Hansard* the text of statements made by four members in the Main Committee on Monday evening. The statements had not been included in *Hansard* for technical reasons. I am pleased to inform the House that, with the assistance of the members concerned, who have provided the text of their 90-second statements, the statements will be incorporated into the *Hansard* record for 24 November 2008. This incorporation is consistent with the premise that *Hansard* is an accurate record of what is said in the House and reflects the unusual circumstances concerned. It is not, and should not, be seen as a precedent for incorporation of unspoken material in *Hansard*.

**PERSONAL EXPLANATIONS**

Mr *PYNE* (Sturt) (4.02 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr PYNE—Yes.

The SPEAKER—Please proceed.

Mr PYNE—In question time the Deputy Prime Minister said that I had said in a speech in 2006 that primary schools should not receive federal government funding. This is untrue. What I said was:

We should not have to be investing in state run primary schools. We should not have to be creating after-school active programs.

... ... ...

The missing ingredient in this debate is the fact that the states have allowed their schools to get to the point where parents are demanding action and the Commonwealth feels it has to step in and try to make a difference.

In other words, the Commonwealth is having to pick up the slack and should not have to be doing so.

The SPEAKER—Order! The honourable member for Sturt has explained where he was misrepresented. He cannot debate.

*Mr Pyne interjecting—*

The SPEAKER—The honourable member for Sturt will withdraw.

Mr Pyne—I withdraw, Mr Speaker.

Dr *STONE* (Murray) (4.04 pm)—Mr Speaker, I wish to make a personal explanation.

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

Dr STONE—I do.

The SPEAKER—Please proceed.

Dr STONE—During question time I asked a question of the Prime Minister about the surge in people-smuggling activity that has occurred since this government in particular has changed its policy. When the answer was given, I was immediately accused of being wrong in relation to the surge, there only being, according to the Prime Minister, five boats and therefore—

*Mr Albanese interjecting—*

**Opposition members interjecting—**

The SPEAKER—Order! The Leader of the House will resume his seat. The member for Murray will come to where she has been misrepresented.

*Opposition members interjecting—*

The SPEAKER—Order! The honourable member for Murray will come to where she has been misrepresented.

Mr Albanese—I withdraw, Mr Speaker.

The SPEAKER—The member for Murray will come to where she has been misrepresented.

Dr STONE—I would like to put on the record—in fact I would like to read it out—
that since 13 August, when the changes were announced, the number of boat people—

Mr McClelland—Mr Speaker, on a point of order: with respect to the member for Murray, she is seeking to introduce new material which necessarily means she is not referring to where she has been misrepresented. In other words, she is referring to other representations and not the one that she has made.

Mr Tuckey—Mr Speaker, on the point of order: the point is that the member was misrepresented when she was corrected by the Prime Minister. She is now entitled to protect herself by stating the facts.

Mr Melham—Mr Speaker, on the point of order: standing order 68 says: A Member may explain how he or she has been misrepresented. The member making the personal explanation has yet to point out how she was misrepresented before going on to the next phase. I ask you, Mr Speaker, to insist that she follows the proper procedure. She has been here long enough. She should know how to make a personal explanation.

The SPEAKER—Order! In making her personal explanation the member will indicate where she was misrepresented and then correct the record. There will be no debate.

Dr Stone—I was misrepresented in being accused of giving wrong statistics. In fact, I have all the statistics documented here—the number of intercepts and arrivals commencing from 13 August, of which seven are documented and eight are considered most likely. I can table the seven that are here, all from 13 August—not four, as was claimed by the Prime Minister. I seek leave to table the document.

The SPEAKER—Order! The member has made her explanation and she has sought leave to table the document. Is leave granted?

Leave not granted.

Mr McClelland—With respect, Mr Speaker, that should be removed as the correction of a personal explanation. Clearly, with respect to the honourable member for Murray, she used it as a ruse to seek to adduce new material and, moreover, she was wrong.

The SPEAKER—I will ignore any inherent reflection on the chair in the Attorney’s submission to me. I think that now the matter is settled.

DOCUMENTS

Mr Albanese (Grayndler—Leader of the House) (4.08 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MINISTERIAL STATEMENTS

Business Regulation Agreement and Small Business Initiatives

Dr Emerson (Rankin—Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation) (4.09 pm)—by leave—I make a ministerial statement relating to the COAG business regulation agreement and small business initiatives.

Reforming business regulation to lift productivity growth

During the current difficult economic times brought on by the global financial crisis, business confidence is all-important. Businesses seeking to cope with the local impacts of the global financial crisis need the confidence to know that the Australian government is doing the right thing by them. Doing the right thing does not only mean stabilising the financial system and providing a short-term economic stimulus, which the
Rudd government has done. Doing the right thing, importantly, also involves sticking with a long-term economic reform program designed to lift productivity growth off the floor. And that is what the Rudd government is doing. The Rudd government will not be diverted or distracted from long-term economic reform by the global financial crisis.

The meeting of the Council of Australian Governments on Saturday, 29 November 2008 demonstrated the Rudd government’s commitment to long-term economic reform. It did so in vitally important areas such as improving the nation’s education system, taking it into the 21st century and providing true equality of opportunity for children from disadvantaged communities. It did so by reducing the wasteful overlaps and ambiguous responsibilities of the different levels of government in the provision of health services and in providing stronger emphasis on preventative health. And it did so in the area of business regulation.

Today’s productivity growth is tomorrow’s prosperity. I have made this same observation on numerous occasions. In fact, my first warning of the dangers of declining productivity growth was way back in October 2000. When I say today’s productivity growth is tomorrow’s prosperity, I can support that proposition with objective evidence. The Productivity Commission estimates that 80 per cent of the increase in Australia’s prosperity over the last 40 years is attributable to productivity growth. The rest has been contributed by growth in the labour force and fortuitous events such as the contribution to Australia’s national income of booms in commodity prices.

Now I will borrow from an eminent American economist and Nobel Prize winner, Paul Krugman, who said that productivity growth is not everything but in the long run it is almost everything. Krugman was making the 80 per cent observation that I have just made specifically in respect of Australia. But he was doing more than that. He was pointing out that without productivity growth we simply cannot generate the prosperity to alleviate suffering and sickness, to look after our brothers and sisters at home and abroad who just do not have the means to look after themselves. Productivity growth is not just an arcane economic term; it is the key to a prosperous, fair and compassionate society.

But what is it? What is productivity growth? Labour productivity growth is the value of a country’s production of goods and services—otherwise known as gross domestic product, or GDP—divided by the total number of hours worked by that country’s workforce. That is, productivity growth is the value of production per hour worked. The more we produce per hour worked, the more productive we are as a nation. There are other measures of productivity, like multifactor productivity. And productivity can be measured in the market economy or in the whole economy that includes the public sector. But for the purposes of the discussion today, labour productivity will do. In a modern economy like Australia’s, we like to think that we can produce more, not by working ever harder but by working smarter. That is the trick—working smarter. And that requires governments to invest wisely in education and training, in infrastructure and in innovation. It also requires governments to remove incentive-crushing impediments to working smarter.

Governments impose two sorts of incentive-crushing impediments to working smarter. In an open, competitive economy like Australia’s, fashioned by the Hawke and Keating Labor governments, businesses need incentives for risk-taking and for entrepreneurship. The first set of incentive crushers comes from the tax system. That is why the
Rudd government is taking on the ambitious task of reforming the tax system through the review being overseen by the Secretary to the Treasury, Ken Henry. The second set of incentive crushers comes from the snarl of regulations affecting private business in this country. Left unattended, this snarl will become a gridlock—seizing up the entrepreneurial flair and talent of our business community, grinding the engine of the Australian economy to a shuddering halt. That is exactly what has happened to Australia’s productivity growth—it has ground to a halt. This is a national tragedy—not the sort of tragedy that appears in the daily newspapers, but a national tragedy all the same. If today’s productivity growth is tomorrow’s prosperity and today’s productivity growth is zero, then it is not hard to figure out what this means to Australia’s future prosperity and our capacity to support the underprivileged.

The productivity boom of the 1990s built on the pro-competitive economic reform program initiated by the Hawke and Keating Labor governments laid the foundations for this country’s modern prosperity. Yet, instead of pressing ahead with economic reforms, the previous coalition government coasted on the productivity boom of the 1990s and then on the mining boom of the 2000s. It squandered the opportunity to build on Labor reforms by investing in education, infrastructure and innovation by reforming the tax system and by pressing ahead with the reform of business regulation.

The Productivity Commission has estimated that about half of the recent slump in Australia’s productivity growth has been caused by temporary factors such as the drought and mining investment that has not yet fully resulted in increased production. But that leaves another half that is attributable to a slackening in reform effort. It has fallen to the Rudd government to revitalise the reform of business regulation. On Saturday at COAG the Commonwealth and the states and territories reached a historic reform agreement on business regulation. Reviving productivity growth has been at the heart of the work that has been going on all year through COAG’s Business Regulation and Competition Working Group, which I have been co-chairing with the Minister for Finance and Deregulation.

In close cooperation with the states and territories, we have been working on reforms to 27 different areas of regulation that reach across national borders. Never before in Australia’s history has a government attempted such an ambitious program of reducing unnecessary business regulation. We are moving Australia from being nine markets to one and putting an end to the rail gauge economics that have plagued the business community for more than a century. We have been working to create national systems of regulation in areas which will cut costs to business and advance Australia toward a seamless national economy.

Saturday’s agreement was the culmination of this work when the Commonwealth provided a $550 million package to implement reforms in these 27 areas of regulation as well as a number of different competition reforms. On top of this, the government has already committed to directly spend $475 million on some of these reform areas where the Commonwealth is assuming responsibility from the states and territories. Altogether, this funding package totals over $1 billion. That is $1 billion towards creating a seamless national economy, lifting productivity growth, creating jobs and boosting business confidence.

In so many areas it just does not make sense to continue with up to nine different sets of regulation. Take trade measurement, for example. Last week the Senate passed legislation which 107 years after Federation
created a national system of weights and measures that replaces eight state and territory systems. This is the first of the 10 so-called regulatory hotspots agreed by COAG in 2006 to go through the federal parliament. Progress in implementing those agreed hotspot reforms had been so slow under the previous government that Chief Executive of the Business Council of Australia, Katie Lahey, was compelled to conclude:

Clearly they were so hot they burnt a hole in the piece of paper and we haven’t seen them since.

COAG has also agreed to create a national system for registering business names, another hotspot. Under this national system, businesses operating across Australia will no longer need to register and renew their business name in each state and territory. This reform alone has been estimated by Ernst and Young to save Australian businesses $1 billion over the next 10 years.

COAG has further agreed to create a national system of trade licensing so that a plumber, for example, who is licensed in Victoria can work in any other state or territory around Australia without having to apply for a new licence. The agreement also paves the way for a new national electronic conveyancing system. This new national system has the potential to save homebuyers up to $400 on house purchases, helping to support the government’s work on affordable housing. Total savings on conveyancing costs are estimated at up to $250 million a year. I will not take members through each of the 27 areas. But it is worth mentioning that agreement has also been reached in important areas like financial services and consumer credit regulation, consumer policy and for further work on food regulation and on the competition reform agenda.

We have achieved a great deal over the last eight months, having reached a landing at the COAG meeting on Saturday with the agreement on the funding package for those reforms. But the Minister for Finance and Deregulation and I will not just leave it to others to implement the agreed reforms. We will drive them through to completion. Contrast these achievements with the lack of progress on reforming business regulation over the previous 11 years, a period that the Business Council of Australia describes as one of ‘the creeping re-regulation of business’ as an example of ‘how the benefits of past reform can be quietly eroded over time’.

The Business Council of Australia has shown strong and constructive support for this important reform agenda. Ahead of Saturday’s COAG meeting, President of the BCA, Greig Gailey, said:

Right now we need businesses to have the confidence to employ and invest. Businesses will have significantly greater confidence when they see governments pushing ahead with reforms that enhance the productive capacity of the economy.”

Following Saturday’s meeting, Chief Executive of the BCA, Katie Lahey, said:

The BCA commends the COAG partners for their continued progress towards a ‘seamless economy’ where differences between states do not disrupt business activity.

The BCA particularly welcomes the $550 million reform National Partnership funding to be provided to states in return for unified business regulation and cuts to red tape.

The OECD has also recognised the importance of this reform work. On 30 October this year, my colleague the Minister for Finance and Deregulation announced that the OECD will undertake a regulatory review of Australia, including a special chapter on cross-jurisdictional regulatory reform. We look forward to receiving the OECD’s findings by the end of 2009. In advance of this report, I note that a recent OECD policy brief on Australia says:
It is also important to reduce product market segmentation caused by the regulatory differences between the states.

It goes on to say:

The government is putting a wide ranging reform programme in place … The implementation of reforms is in most areas a shared responsibility between the states and the federal government. Implementation is backed up by measures to achieve better co-ordination of cross-jurisdictional policies in the Council of Australian Governments (COAG). It is promising, for example, that there are now financial incentives for the states to move this process forward.

The government will continue to press ahead with economic reform while managing the impacts of the global financial crisis. The result of Saturday’s COAG meeting is good for national productivity, good for business confidence and good for jobs growth in Australia.

Small business

I would like to talk now about small businesses in Australia. The agreements reached at the COAG meeting on Saturday will be of benefit to all businesses, but we know inefficient regulation with high compliance costs can hit small businesses particularly hard. Without the resources of larger businesses, small businesses can find it particularly time consuming and costly to deal with the paperwork and other compliance requirements imposed by regulation. These landmark agreements on the 27 different areas of regulatory reform will help drive business costs down for small businesses.

In this global financial crisis, the Rudd government is supporting small business in other ways too. The government’s economic stimulus package was designed with small business squarely in mind.

Ms Marino—What about farmers?

Dr EMERSON— Farmers are actually small business people, and this has been very strongly supported by the National Farmers Federation, so you might want to get on board. Small businesses are the first to feel the effects of an economic downturn. On 24 October, the Prime Minister held a small business summit in Brisbane which was attended by over 500 small business owners and representative organisations. The summit provided an opportunity for the Prime Minister, the Treasurer, the Minister for Superannuation and Corporate Law, and me to hear directly from small business owners and their representatives.

At the summit, the Prime Minister launched a package of initiatives to support small businesses. I am pleased to announce that today marks the commencement of the guarantee of on-time payment for new small business contracts with Commonwealth government departments. From today, for contracts of up to $1 million, Commonwealth government departments will pay small businesses within 30 days, otherwise small businesses will have the right to charge penalty interest. This will help small businesses maintain their cash flows, something which is critical any time but even more so in the difficult economic times we are facing now. And the government has called on bigger businesses to follow our lead.

The government has made a further commitment to develop standard procurement documents and standard approaches to make it cheaper and easier for small businesses to sell to the government. The government will also provide extra support and advice to small businesses during the financial crisis through a $4 million government investment over the calendar year of 2009. Applications for this funding do not close until 18 December but so far 245 inquiries have been made to the hotline and 194 application kits have been sent out.
Other government initiatives to help small business

There are other government initiatives to help small business. These initiatives build on those already underway. In this year’s budget we provided $42 million to support 36 one-stop business advisory shops for small business around Australia in providing assistance to small business debutantes as well as existing businesses.

The Rudd government’s first budget began the process of tax reform. Our tax package means that typically small business owners will receive tax relief of up to $50 a week this financial year followed by up to $91 a week next financial year. We are also looking at ways to simplify GST compliance for small business owners through our BAS Easy proposal. The Board of Taxation is reviewing the legal and administrative framework of the GST, including the BAS Easy proposal, and is expected to report to the government by the end of the year.

To ease some of the administrative burdens associated with superannuation, the government is creating a superannuation clearing house for small business. And the government will roll out a national high-speed broadband network across Australia, especially benefitting small businesses. The government is also delivering on its promise to reform the Trade Practices Act to crack down on anticompetitive behaviour by powerful businesses. And we have provided small business with a permanent voice on the ACCC through the appointment of Professor Michael Schaper as a Deputy Chair of the ACCC.

Concluding comments

The best thing governments can do for small business is provide them with an operating environment in which they can grow and thrive. As the Prime Minister said last year:

Labor believes that Australia’s small businesses deserve support from a government that will help them make it easier to do business, to grow their business and as a result grow our future economy. The government is committed to lifting productivity and creating jobs, while continuing to deal with the effects of the global financial crisis. The agreements reached over the weekend with the states and territories will help drive this agenda and help build a modern economy capable of meeting the challenges of the 21st century.

I ask leave of the House to move a motion to enable the member for Moncrieff to speak for 17 minutes.

Leave granted.

Dr Emerson—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Ciobo speaking for a period not exceeding 17 minutes.

Question agreed to.

Mr Ciobo (Moncrieff) (4.26 pm)—How fitting that the Minister for Small Business, Independent Contractors and the Service Economy in a speech on small business did not mention small business until page 6 of a seven-page speech. This symbolism truly represents where small business sits for the Rudd government: tucked away neatly somewhere towards the back. The reality is that this ministerial statement has more to do with this minister’s aspirations to be Treasurer than it does with providing leadership, not to mention any assurance, to Australia’s small business sector.

The Minister for Small Business, Independent Contractors and the Service Economy and aspiring Treasurer says that the Rudd government has stabilised the financial system. Perhaps the minister should explain this so-called stability to the 270,000 Australians with investments in unguaranteed mortgage funds and cash management trusts. These Australians, many of whom are small
business men and women, have had their savings frozen as a direct consequence of the Rudd government’s rushed and bungled decisions on the unlimited bank deposit guarantee.

The minister, as if preparing his resume, detailed his so-called long-term economic reform program. I will leave it to my colleagues to highlight the minister’s error in claiming last week’s COAG meeting will miraculously solve all of Labor’s mismanagement when it comes to health and education. Certainly the minister’s suggestion that the business regulation changes announced at COAG are the white knight that will carry Australia’s small businesses through the global financial crisis is misleading at best and fanciful at worst.

Indeed, COAG has been working to reform 27 different areas of regulation that reach across state borders. While these reforms are welcome, they are reforms that benefit Australia’s largest businesses. The minister quoted extensively from the Business Council of Australia. The Business Council of Australia is an association of CEOs of 100 of Australia’s leading corporations. We would expect that they would welcome the 27 regulatory reforms that were announced at COAG. While the coalition certainly welcomes business deregulation, the Rudd Labor government’s attempts to pass this off as not for big business but as somehow the government’s golden gift to small businesses is a cruel hoax on the part of the Rudd Labor government.

According to the Australian Bureau of Statistics in its latest Counts of Australian businesses only 24,444 small businesses, or about one per cent of all small businesses, operate in more than one state. So, for the other 99 per cent of Australia’s 2.4 million small businesses, the government’s big business deregulation agenda is of little interest, of little benefit and of little assurance. What we see here is another case of the Rudd Labor government talking without actually delivering. I was most interested to hear the minister describe the potential benefits of a new national electronic conveyancing system. According to the Rudd Labor government, this could save homebuyers up to $400 on house purchases. This $400 may go some way towards helping to pay the thousands and thousands of dollars of stamp duty and land taxes which have been the hallmark of this very government’s state Labor colleagues. It is not lost on the Australian people that today we saw widespread reporting of the fact that paying Labor stamp duties requires up to three months of an annual salary. Again, we see Labor is very good at making announcements but it cannot quite deliver any meaningful outcomes to Australia’s small business sector.

Indeed, the real work on delivering meaningful red tape reduction has been left to the opposition. On 20 November I was pleased to announce a coalition policy to help small businesses better manage their cash flow. The coalition believes our small businesses deserve genuine policy responses to the challenges of operating in these difficult economic times. They do not need more photo opportunities and talkfests with the Prime Minister hopelessly out of touch with Australia’s small business sector. Cash flow in many small businesses is being burdened by PAYG instalments, which are likely to have been calculated on revenue from brighter economic circumstances. The coalition believes that varying PAYG instalments is an important way small businesses can manage their cash flow more ably. While variations are allowed currently, if small businesses underpay their instalments by 15 per cent or more, the tax office will apply a heavy penalty. The coalition has therefore called on the Rudd Labor government to double the al-
allowable margin of error in PAYG instalment variations from 15 per cent to 30 per cent. This means that small businesses can then vary their PAYG instalments with more confidence, without the fear of being unreasonably penalised by the tax office. If the minister, and indeed his government, were genuinely concerned with providing genuine assistance to Australia’s small businesses and helping to maintain the jobs of those 3.8 million Australians that they employ, they would implement this coalition policy without delay.

In his speech, the minister said: ‘The first set of incentive crushers comes from the tax system.’ The coalition recognises this and only the coalition has a track record of delivering tax cuts. The coalition, under the previous Howard-Costello government, delivered tax cuts in 2000, 2003, 2004, 2005, 2006 and 2007. That is the coalition’s track record on delivering tax cuts. On the other hand, the Rudd Labor government deliberately targeted small businesses with tax increases in the May budget. I would particularly draw the attention of the House to the additional family income test which was placed on the entrepreneurs tax offset. The entrepreneurs tax offset provides a 25 per cent tax offset for small businesses with annual turnover of less than $75,000 and begins to phase out for turnover greater than $50,000. The Rudd Labor government introduced an additional income tax test for the entrepreneurs tax offset that took effect from 1 July 2008. This measure deliberately and unfairly targeted families that work in small business. For example, under Labor’s new rules, a wife who earns just $42,000 a year working in her own small business as, say, a hairdresser—will be whacked with a massive 25 per cent tax increase as a direct result of this new Labor tax on small business if her husband—for example, a plumber—is earning $79,000 a year.

Why have Labor so unfairly slapped working partners and small businesses with such a harsh new tax? The reality is that Labor just do not understand small business. This is another example where the Rudd government say one thing and do another. They say they believe in lower taxes, the minister says the tax system is crushing incentive, but what is the actual result? The Rudd Labor government policy actually crushes the incentive of small business even more than it did previously.

But we should hardly be surprised at the attitude of the Rudd Labor government towards tax reform. Indeed, all Australians should remember the declaration of our current Prime Minister on 30 June 1999, when he said about the previous coalition government’s very bold and significant tax reform package:

When the history of this parliament, this nation and this century is written, 30 June 1999 will be recorded as a day of fundamental injustice—an injustice which is real, an injustice which is not simply conjured up by the fleeting rhetoric of politicians. It will be recorded as the day when the social compact that has governed this nation for the last 100 years was torn up.

Has the Prime Minister miraculously transformed from his previous cynical position into a tax reformist in the last eight years? Most certainly he has not. The Prime Minister has, however, become very clever at saying one thing and doing another. The honesty with which he came to this House on 30 June 1999 has vanished. In its place we now find as a hallmark of the Rudd Labor government a commitment to putting talk, spin and news headlines ahead of actually delivering for Australia’s small business sector. Similarly, the minister says the government has provided $42 million to support 36 small business contact points. What the minister neglected to say, however, is that the Rudd Labor government also axed in its most recent
budget nearly $1 billion of small business advisory and support programs. Included in that $1 billion of axed small business programs was the Small Business Field Officer Program, which delivered 65 small business contact points right across Australia at an annual cost of some $7.2 million.

So we have the situation in which the Minister for Small Business, Independent Contractors and the Service Economy scrapped 65 small business field offices which cost $7.2 million annually and replaced them with 35 Business Enterprise Centres at an annual cost of $10.5 million. I note that in the Senate estimates hearings that were held earlier this year the minister’s department was unable to identify one single activity which would be undertaken at a Business Enterprise Centre which was not already undertaken by the coalition’s small business field officer program. So you could forgive small businesses for asking the minister to explain why the Rudd government was spending $3 million more each and every year to provide the same services at nearly half the contact points that existed previously.

This Labor government’s commitment to spending more on getting less is a telling story for those small businesses who wondered how a government could possibly take a budget into deficit while the economy was forecast to grow at two per cent. Perhaps this is according to the Sensis business index, the No. 1 reason why support for the federal government’s policies has collapsed by 57 percentage points since the election of the Rudd Labor government. There is a belief that there has been economic mismanagement by this government. Quite extraordinarily, the government is spending less today on small business advisory and support programs than the federal government was this time 12 months ago—before the global financial crisis was on the doorstep of our small businesses. Once again, what we see is that the Rudd government’s talk does not match their actions.

Another case in point has been the government’s disastrous broadband policy. The minister said in his speech that ‘the government will roll out a national high-speed broadband network across Australia’. I am certain that there are plenty of small businesses across Australia that are starting to ask, ‘When is this going to happen?’ This is a prime example of where the Rudd Labor government’s rhetoric has far outbalanced their results. As my colleague Senator Minchin said in the other place, the Rudd government had a broadband election sound bite with no sound public policy to support it.

Despite the promises of the Prime Minister and the promises of the minister’s colleague Senator Conroy, the Rudd government has failed to deliver its election commitment of selecting a builder for the national broadband network within six months of coming to office. Instead, it has taken over double that and we are still waiting. The government is already at least six months behind schedule in commencing network construction before the end of 2009 and offering new services over the new network.

The Rudd government scrapped the coalition’s OPEL broadband project for rural, regional and remote Australia despite having no alternative to it. Using WiMax technology, this network would have delivered metro equivalent services to around 750,000 underserved households and small businesses across the country. According to the Age newspaper of 24 June this year, ‘Labor’s election pledge to appoint a National Broadband Network builder by the end of the year is in tatters because of another extension of the bid deadline and a trebling of the expected construction costs.’ Once again, de-
spite all the talk, all the spin, all the headlines and all the commitments, there has been no delivery from the Rudd Labor government.

The minister said in his speech, ‘From today, for contracts of up to $1 million, Commonwealth government departments will pay small businesses within 30 days.’ That is a statement that is big on announcement and little on delivery. That is a statement that, consistent with this Rudd Labor government’s priorities, is about headlines and not about substance. This announcement had an air of familiarity about it. And indeed it does. Some 572 days ago, on 10 May 2007, the minister at the table, together with the Prime Minister, issued a press release titled ‘Real action to cut business red tape’. I quote from the release:

Labor will make sure that all government departments are meeting their commitments to small business.

It also says:

Labor will give small business the right to charge Commonwealth Government departments and agencies interest on bills not paid within thirty days.

Perhaps the media release should have been titled ‘Real inaction to grow business red tape’, because since the Rudd Labor government was elected the number of federal government departments and agencies which are paying small businesses on time has decreased.

According to the survey of Australian government payments to small business, in October 2007, under the previous coalition government, 95 per cent of all invoices to small businesses were being paid within 30 days. Yet 12 months later, on ABC TV’s Insiders program on 26 October this year, the minister at the table said that only 92 per cent of invoices to small businesses were being paid within 30 days. So the minister says that the Rudd Labor government will increase the percentage of government invoices paid on time to small businesses from 95 per cent to 100 per cent and yet the reality of Labor’s policies is that the percentage has gone backwards to 92 per cent. Once again, there are no results behind the rhetoric of the Rudd Labor government. After 12 months in office, the Rudd Labor government has failed to deliver on this election commitment. It is little wonder that the Sensis business index reports that only nine per cent of small businesses believe that the Rudd government’s policies support them. But if there is one way that the Rudd government knows how to fix a problem, it is to talk about it. According to the Rudd government mantra, talking and watching fix everything.

At their grand small business talkfest in Brisbane on 24 October, after the minister had personally called people begging them to get over their Rudd government summit fatigue and come along, the Prime Minister said, ‘What I’d like to propose today is a government guarantee to pay all of the federal government’s contracts up to $1 million to small business on time, within 30 days.’ What I would like to ask is this: did the Prime Minister forget that his name was on top of a press release proposing exactly the same thing 18 months ago? Here we have the Prime Minister and the minister coming into the House to announce for a third time now that under a Rudd Labor government small businesses who deal with the government will be paid within 30 days.

I will give this guarantee: small businesses out there are hoping that this Rudd Labor government gets it right third time lucky. Far from meeting their election commitment to make things better, so far the Rudd Labor government has only made matters worse. I will conclude my comments by quoting the Prime Minister, who recently in fact made this statement in his address to the small
business summit in Brisbane. He said: ‘There is no government policy that is going to make running a business easy.’ That is going to be the case for as long as Labor is in government. (Time expired)

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation) (4.45 pm)—Mr Deputy Speaker, with your indulgence, I wish the shadow minister for small business and his wife, Astra, all the best for the impending birth of their first baby.

NATIONAL RENTAL AFFORDABILITY SCHEME BILL 2008
AUSTRALIAN ORGAN AND TISSUE DONATION AND TRANSPLANTATION AUTHORITY BILL 2008
DAIRY ADJUSTMENT LEVY TERMINATION BILL 2008
FINANCIAL TRANSACTION REPORTS AMENDMENT (TRANSITIONAL ARRANGEMENTS) BILL 2008
GREAT BARRIER REEF MARINE PARK AND OTHER LEGISLATION AMENDMENT BILL 2008
TRADE PRACTICES AMENDMENT (CLARITY IN PRICING) BILL 2008
CUSTOMS AMENDMENT (AUSTRALIA-CHILE FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2008
GUARANTEE SCHEME FOR LARGE DEPOSITS AND WHOLESALE FUNDING APPROPRIATION BILL 2008

NATIONAL RENTAL AFFORDABILITY SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2008

Assent

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

COMMITTEES
Public Works Committee

Report

Mr BUTLER (Port Adelaide) (4.45 pm)—On behalf of the Parliamentary Standing Committee on Public Works, I present the 9th report for 2008 of the committee relating to referrals made from June to September 2008.

Ordered that the report be made a parliamentary paper.

Mr BUTLER—by leave—This report covers four referrals made to the committee from June to September 2008: the Australian Square Kilometre Array Pathfinder—ASKAP—radio telescope to be built in Western Australia at an estimated cost of $111 million; the fit-out for the Australian Federal Police of the Edmund Barton Building in the ACT at an estimated cost of $115 million; the redevelopment of the Puckapunyal base in Victoria at an estimated cost of $41.65 million; and the Australian War Memorial eastern precinct development and national service memorial also in Canberra at an estimated cost of $19.54 million.

The committee has recommended that all four projects proceed, without qualifications. The only additional recommendation the committee has made is in relation to the ASKAP project in Western Australia. The committee supports this project and believes it will bring significant benefits to the field of radioastronomy and to Western Australia. However, the committee had concerns that there were some delays in land acquisition
and, to mitigate the risk to the Commonwealth, has recommended that land negotiations be completed prior to construction contracts being let.

The new Australian Federal Police headquarters is long overdue. The committee is pleased to recommend that the fit-out of the Edmund Barton Building proceed. The committee was assured that this heritage listed building will meet the AFP’s current and future needs as well as providing a childcare centre and a cafe, completing the original architectural vision for the building.

The redevelopment of the Puckapunyal base in Victoria will provide much needed upgrades to office and training facilities. In the past nine months this committee visited a number of defence bases. The site inspection of Puckapunyal base left it without a doubt that the proposed upgrades are badly needed.

The committee has recommended that the Australian War Memorial eastern precinct development and the national service memorial proceed. Members who have recently visited the War Memorial will be aware that the dirt car park in the eastern precinct is an eyesore that detracts from this important national monument. This development will place parking underground and behind the memorial, restoring a eucalypt garden in the eastern precinct that will be linked to a new, more accessible cafe.

This proposal also includes siting for the national service memorial to commemorate those who were called up and served in the forces between 1951 and 1972. The planned memorial is a testament to those who served and is a fitting addition to this region of the memorial. The memorial is being paid for with moneys raised by the National Servicemen’s Association.

I thank the members and senators on the committee for their work on these inquiries. As this is the final Public Works Committee report for 2008, I also thank the committee for all of their work during the year, particularly their commitment to clearing the books of the backlog of work held over from the 41st Parliament. The committee has undertaken 21 inquiries this year and has approached each one in a spirit of cooperation and bipartisanship that shows parliamentary committees at their best. I commend this report to the House.

ECONOMICS COMMITTEE

Report

Mr CRAIG THOMSON (Dobell) (4.49 pm)—by leave—I present a corrigendum to the report of the House of Representatives Standing Committee on Economics entitled Competition in the banking and non-banking sectors.

STANDING AND SESSIONAL ORDERS

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (4.49 pm)—At the request of the Leader of the House, I move:

That, unless otherwise ordered, the following sessional orders, adopted by the House on 24 June 2008, operate for the remainder of the 42nd Parliament:
(1) Standing order 34, Figure 2, as follows:

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(2) Standing order 207 to read:

**207 Presenting a petition**

A petition may be presented in one of two ways:

(a) The Chair of the Standing Committee on Petitions shall present petitions and/or reports of that committee, and the Chair and one other Member of the Committee may make statements concerning petitions and/or such reports presented, in accordance with *standing order 34 (order of business)*. The time provided may extend for no more than 10 minutes.

(b) A Member may present a petition during:
(i) the period of Members’ statements in the Main Committee, in accordance with standing order 192A and standing order 193;
(ii) adjournment debate in the House in accordance with standing order 31, and in the Main Committee in accordance with standing order 191; and
(iii) grievance debate in accordance with standing order 192B.

(3) Standing order 209 to read:

209 Petition may be referred to a Minister for response

(a) After a petition is presented to the House, the Standing Committee on Petitions may refer a copy of the petition to the Minister responsible for the administration of the matter raised in the petition.
(b) The Minister shall be expected to respond to a referred petition within 90 days of presentation by lodging a written response with the Committee.
(c) The Chair of the Petitions Committee shall announce any ministerial responses to petitions. After the announcement, ministerial responses shall be printed in Hansard and published on the House’s internet website.

Question agreed to.

WATER AMENDMENT BILL 2008
Consideration of Senate Message

Consideration resumed.

Senate’s amendments—

(1) Clause 2, page 2 (table item 4), omit “Schedule 3”, substitute “Schedules 3 and 4”.

(2) Page 2 (after line 11), after clause 3, insert:

4 Review of operation of Water Act 2007 as amended by this Act

(1) The Productivity Commission must, by 30 June 2010, and each 30 June thereafter, prepare a report on the operation of the Water Act 2007 as amended by this Act and provide it to the Minister.

(2) In preparing a report required under subsection (1), the Productivity Commission must consider but is not limited to the following matters:
(a) the environmental impact on inflows;
(b) the economic sustainability of Basin water resources;
(c) the environmental sustainability of Basin water resources;
(d) the relative efficiency of water trading rules;
(e) the effectiveness of the Authority in carrying out its functions;
(f) the adequacy of the powers of the Authority;
(g) alternative models buying back tradeable water rights;
(h) the effectiveness of infrastructure projects and other water-saving measures funded (in whole or in part) by the Commonwealth;
(i) any other matter relevant to the objects of the Water Act 2007.

(3) The Minister must ensure that the Productivity Commission has sufficient resources to prepare a report required under subsection (1).

(4) The Minister must cause a copy of a report prepared under subsection (1) to be tabled in each House of the Parliament within 5 sitting days of that House after receiving the report.

(3) Schedule 1, item 1, page 11 (after line 2), after subsection 18H(1), insert:

1A Until the States of New South Wales, Victoria and South Australia have each achieved the objective of increasing the flow of water in the River Murray as required by the Living Murray Initiative, these States’ water savings programs are to be independently audited and, as soon as the saved water becomes available, the water must be al-
located to the Living Murray Initiative and must not be used for any other purpose.

(4) Schedule 1, item 2, page 11 (lines 28 to 35), omit subsection 86A(2), substitute:

(2) Critical human water needs are the needs for a minimum amount of water, that can only reasonably be provided from Basin water resources, required to meet human drinking, sanitation and health requirements in urban and rural areas.

(5) Schedule 2, page 293 (after line 7), after item 45, insert:

45A Before paragraph 20(a)

Insert:

(aa) the Authority to take a whole of Basin approach in managing Basin water resources, taking into account environmental, social, economic and hydrological considerations; and

(6) Schedule 2, page 294 (after line 2), after item 50, insert:

50A At the end of section 21

Add:

Basin Plan not to permit taking water for additional uses outside Basin

(8) The Basin Plan must ensure that no water is taken from Basin water resources for use outside the Murray-Darling Basin unless, prior to 3 July 2008, water would have been taken from Basin water resources for that use.

Note: 3 July 2008 is the date the Commonwealth, the Basin States and the Australian Capital Territory entered into an intergovernmental agreement on Murray-Darling Basin Reform.

(9) The Basin Plan must not permit:

(a) the construction or operation of water infrastructure; or
(b) work in the nature of a river flow control work;

if the primary purpose of that construction, operation or work is to enable water to be taken contrary to subsection (8).

Note 1: water infrastructure is defined in section 7(3).

Note 2: river flow control work is defined in section 8 but has a meaning affected by subsection (10).

(10) For the purposes of this section, river flow control work has the meaning it would have if paragraph 8(2)(b) were repealed.

(10A) To avoid doubt:

(a) the delivery of water for the initiatives of the Water for Rivers project was an existing use of water prior to 3 July 2008; and
(b) the taking of water for the initiatives of the Water for Rivers project is not contrary to subsection 21(8); and
(c) the construction and operation of water infrastructure for the initiatives of the Water for Rivers project is not contrary to subsection 257(1); and
(d) all commenced and provisionally agreed Snowy River environmental flows are preserved and excluded from the provisions of subsections 21(8), 21(9) and 257(1).

(7) Schedule 2, page 294 (after line 2), after item 50, insert:

50B At the end of section 21

Add:

Basin Plan to provide for reduction in use in additional population centres outside Basin

(11) The Basin Plan must provide for a reduction over time in the amount of water taken from Basin water resources to meet the needs of population centres outside the Murray-Darling Basin.

(8) Schedule 2, page 306 (after line 1), after item 97, insert:
97D Before paragraph 172(1)(a)
Insert:

(aa) to pursue and, where appropriate, make recommendations to other agencies to pursue the objects of the Act as set out in section 3;

(9) Schedule 2, page 308 (after line 5), after item 106, insert:

106A Subsection 175(1)
After “directions”, insert “, which must be consistent with the objects of this Act.”;

(10) Schedule 2, page 308 (after line 5), after item 106, insert:

106B Before paragraph 175(2)(a)
Insert:

(aa) those aspects of the Basin Plan excluded from Ministerial direction under subsection 44(5);

(11) Schedule 2, page 308 (after line 5), after item 106, insert:

106C Subsection 178(6)
Omit “must”, substitute “may”.

(12) Schedule 2, page 318 (after line 8), after item 161, insert:

161A After section 255
Insert:

255A Mitigation of unintended diversions
Prior to licences being granted for subsidence mining operations on floodplains that have underlying groundwater systems forming part of the Murray-Darling system inflows, an independent expert study must be undertaken to determine the impacts of the proposed mining operations on the connectivity of groundwater systems, surface water and groundwater flows and water quality.

(13) Schedule 2, page 318 (after line 32), after item 162, insert:

162A At the end of Part 12
Add:

257 Prohibited water infrastructure operations
(1) An infrastructure operator must not:

(a) construct or operate water infrastructure; or

(b) undertake work in the nature of a river flow control work;

if the primary purpose of that construction, operation or work is to enable water to be taken from Basin water resources for use outside the Murray-Darling Basin.

Note 1: infrastructure operator and water infrastructure are defined in section 7.

Note 2: river flow control work is defined in section 8 but has a meaning affected by subsection (3).

(2) Subsection (1) does not apply if, prior to 3 July 2008, water would have been taken from Basin water resources for that use.

(3) For the purposes of this section, river flow control work has the meaning it would have if paragraph 8(2)(b) were repealed.

(14) Schedule 2, page 318 (after line 32), after item 162, insert:

162E At the end of Part 12
Add:

261 Water market transparency
The Minister must, by legislative instrument, determine a scheme to ensure transparent operation of the water market in respect of the purchase of water entitlements by the Commonwealth.

(15) Schedule 2, page 318 (after line 32), after item 162, insert:

162G At the end of Part 12
Add:

263 Lower Lakes and Coorong emergency assistance
(1) As soon as practicable after the commencement of this section, the Gov-
ernment must determine an assistance package of a minimum $50 million for Lower Lakes and Coorong communities to help farmers, small businesses, tourism and community sectors to respond to the crisis caused by the lack of water.

(2) Payments of assistance in accordance with a scheme determined under subsection (1) are to be made from money appropriated by the Parliament for that purpose.

(16) Page 326 (after line 32), at the end of the bill, add:

Schedule 4—Amendments related to the recognition of Indigenous water rights

Water Act 2007

10 After paragraph 202(3)(b) Insert:

and (c) an Indigenous water subcommittee, to guide the consideration of Indigenous matters relevant to the Basin’s water resources;

11 At the end of subsection 202(5) Add:

; and (c) an individual with expertise in Indigenous matters relevant to the Basin’s water resources.

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (4.50 pm)—I indicate to the House that the government proposes that amendments (1), (9) and (12) be agreed to, that amendments (2) to (8), (10), (11), and (13) to (15) be disagreed to and that amendment (16) be agreed to with an amendment. Therefore, it may suit the convenience of the House first to consider amendments (1), (9) and (12) and then amendments (2) to (8), (10), (11), and (13) to (15) and then, when those amendments have been disposed of, to consider amendment (16). I move:

That Senate amendments (1), (9) and (12) be agreed to.

Last week the Senate debated the Water Amendment Bill 2008 over several days and during that debate they made the 16 amendments that are before us today. Of the 16 Senate amendments the government’s view is that (12) should be rejected on the basis that they would not be supported by the referral of power from the states, are against the policy position of the government or do not achieve anything that the current Water Act 2007 and Water Amendment Bill 2008 do not already achieve. The government support the four other amendments before us now, although we do have an amendment to one of those that I will refer to at the appropriate time.

The government’s view is that the substantive content of amendments (1) and (16), which relate to Indigenous representation on the Basin Community Committee, was supported by the government in the other place. The government proposed to further amend amendment (16), which as I just said we will discuss later. Amendment (9) requires the Commonwealth minister to give directions in accordance with the objects of the act and was not opposed in the other place. Amendment (12) requires an independent study to be undertaken to determine the impacts of proposed mining operations on groundwater systems within the Murray-Darling Basin. I recognise that this amendment is of particular interest to the member for New England.

Mr HUNT (Flinders) (4.52 pm)—We are pleased to agree with the government on this occasion. In particular, in relation to amendments (1) and (16), they have moved to clarify what appeared, initially, to be a new class of water right. It was not a right which had previously been given airing or been agreed to, and the change in the government’s approach here through the amendment to amendment (16) enables us to support both amendments (1) and (16). We are very happy
to support Indigenous representation as part of the basin consultation process.

Most importantly, I am pleased that the work of the member for Parkes in protection of groundwater is being recognised by what has been agreed to by the government here. This work in protection of groundwater— and I also acknowledge Mr Windsor—is critical. The member for Parkes has staked his career on ensuring that, where there is to be mining, there is to be real protection for groundwater. That the government has agreed to this motion in the form in which we amended it in the Senate is a step forward. I thank and congratulate them for that, and I am delighted that they have joined with us in supporting the work of the member for Parkes and others in this place. He has been a tireless campaigner for the protection of groundwater.

Mr WINDSOR (New England) (4.54 pm)—I particularly would like to address my comments to amendment (12), which the shadow minister has just referred to, in terms of the mitigation of unintended diversions. For the benefit of the House, I will be opposing that particular amendment. I would like to explain a little bit of the history in relation to this particular issue. I understand that the shadow minister has just referred to, in terms of the mitigation of unintended diversions. For the benefit of the House, I will be opposing that particular amendment. I would like to explain a little bit of the history in relation to this particular issue. I understand that the shadow minister is trying to save the scalp of one of his people, and that is okay in this place but it is not okay out there; people know exactly what is going on here.

I would like to go back a year, if I could, and reflect on a study that was put to the previous Minister for the Environment and Water Resources, Malcolm Turnbull, where he publicly agreed to fund a study that looked at these very issues: the potential impact of mining on groundwater resources and the lack of scientific knowledge about the interconnectivity of those groundwater systems and their relationship to river water. Here we have a piece of legislation that is about a basin plan for the Murray-Darling and we have all these unknowns in terms of these interconnectivity issues.

Over and above that, we have the potential for mining in some of those areas and the interface of this plan, which is a Commonwealth initiated process through COAG, and a state based planning process which determines the granting of exploration licences and, eventually, mining licenses. The difficulty there is that the planning process at the state level is flawed in that it allows for the normal environmental impact statement process but does not allow for the downstream impacts that this particular activity could have if, in fact, some of those potential dangers were put in place.

So we fast-forward to 15 October 2008, when I moved an amendment in here which mentioned the word ‘exploration’. The coalition supported it. I do not think the member for Parkes even spoke on it but others did and supported it. It went to the Senate, where Senator Bob Brown moved a similar amendment; the coalition supported it and lauded themselves—particularly in the National Party—for how great they were for saving the Liverpool Plains. All they had done in fact was recreate the problem. The problem has always been that the state based planning process for the granting of exploration licences is flawed in that it only looks at localised impact and not downstream impact. It does not have to look at downstream impact.

What the National Party has done—and rather than them laud the member of Parkes, he should be ashamed of himself for actually supporting this particular removal of the word ‘exploration’—is recreate the problem, that problem being a flawed state based planning process. There is an issue here, and I will be reintroducing that amendment. Many of the National Party members have said,
‘Oh, we did not understand it.’ Even the member for Calare rang me after Mitch Hooke and the Minerals Council of Australia—through the member for Groom—had got to some of these vagrants in the National Party.

Mr Ian Macfarlane—That is a barefaced lie.

Mr Windsor—You can explain yourself later on if you want to, and I think you should. The member for Calare rang me and said: ‘We made a terrible mistake; this is dreadful. It means no mining will ever take place in Australia ever again.’ What an absolute nonsense! The amendment that both the government and the opposition are going to accept now butchers that attempt to put in a clear amendment that, before an exploration licence is granted, proper scientific work be done into the groundwater systems so that we have an appreciation of what potential impacts mining activity could have on those sorts of things. I think the Minister for the Environment, Heritage and the Arts really should have a good look at what he is doing in terms of this and the stance that he is taking. This is no different, Minister, to national parks being exempt from mining. What could occur out of the original amendment and the one that I will reintroduce today is that certain areas are exempt from exploration. (Time expired)

Mr Ian Macfarlane (Groom) (4.59 pm)—I rise to correct a gross falsehood that has been put forward by the member for New England. I am happy to say in this parliament at this dispatch box that at no stage last week did I speak to any representative of the Minerals Council. If the member were a decent man, he would withdraw that allegation. The change was put in the amendment because it just did not make sense when it was brought to my attention. It is no secret, it was the Labor Party who brought it to my attention and said, ‘Do you want to support an amendment that is going to cripple the mining industry in Australia in the future?’ I said, ‘Of course not.’

That suggestion from the member for New England is completely, absolutely and totally false. As someone who has long experience working with the mining industry, long before I came into this place, and who is a farmer by trade, I take gross offence. If the member for New England would care to withdraw his suggestion, I would be appreciative of that.

The amendment moved by the coalition gives extra security to farmers and landholders before mining takes place. It is a commonsense, practical way to move forward and I congratulate the government for supporting it. It gives the opportunity to pick up where the states’ Labor governments—governments that the member for New England supported in his previous time in state government—amendments—

Mr Windsor—Oh rubbish! You want me to withdraw a comment and you say something like that. You’re an idiot.

Mr Briggs—Mr Deputy Speaker, on a point of order: the honourable member for New England made an unparliamentary remark about the member for Groom. He should withdraw it.

The DEPUTY SPEAKER (Mr KJ Thomson)—And the member for Groom made one about him too earlier on.

Mr Windsor—To assist the House, I withdraw the last comment that I made but I think that anybody who takes the opportunity to read the Hansard will see what actually went on.

The DEPUTY SPEAKER—If you are going to withdraw, just withdraw.
Mr Price—On a point of order, I am not sure that was actually unparliamentary. I know the member has withdrawn.

The DEPUTY SPEAKER—The member has withdrawn. I call the member for Groom.

Mr IAN MACFARLANE—If the member for New England takes offence at the fact that he voted from time to time with the Labor government in New South Wales then that is his problem, but the facts will reflect that. The reality is that the amendment put forward by the coalition and supported by the Labor Party gives farmers not only in New South Wales but across Australia more protection. I congratulate the member for Parkes for his positive approach on this. He has made sure that the issues relating to his electorate were not only raised with me but raised in this parliament.

Mr COULTON (Parkes) (5.02 pm)—The member for New England raises a point about the impact of mining on the Liverpool Plains. On that point he receives no disagreement from me. The impact of mining on some of the most productive agricultural land in the world is something that has to be avoided at all costs. I might point out that I voted for his amendment when it came through the House the first time despite the fact that at no time did he contact me, ask me for support or indicate in anyway that he was doing that. On good faith, I supported his amendment.

Upon reflection and on looking further into it, I feel that I cannot support his amendment now because basically it will not help the people who are under pressure on the Liverpool Plains at the moment. The licence to explore has already been issued and at the moment the process is currently underway in that area. As I speak, a group of farmers are blockading the entrance to a property on the Liverpool Plains in protest at what BHP are doing.

I am concerned that the real issue, which is that the planning process for mining in New South Wales is under the control of the New South Wales government, is getting clouded here. What would clear this issue up once and for all would be for the New South Wales government to agree to, and for the federal government to co-fund, an independent hydrological study into the Liverpool Plains so that a full picture of the situation with the interconnecting aquifers underneath that plain can be thoroughly assessed. I fully support that point. I am terribly disappointed that it was indicated prior to the election that an agreement had been made and somewhere during the process of election last year that did not come off, because the people in the Liverpool Plains want assistance now. While I agree very much with the intention of the member, I do not believe that the change in the amendment will allow that to take place.

Mr Windsor interjecting—

Mr COULTON—The problem is that the member for New England somehow lifted the expectations of the people in the Caroona area, an area that is divided between his electorate and mine, and there was a great expectation that somehow his amendment was going to save the day when in actual fact his amendment was more about grandstanding. The people who are suffering are the good farmers on the Liverpool Plains. While it pains me considerably that these people are suffering as such, it is my duty as their representative in Canberra to actually support legislation that will benefit them. Unfortunately, the member for New England’s amendment does not do that. I will reiterate: what the people on the Liverpool Plains want in the Caroona area and now the Watermark area is a hydrological study. I believe that we should have a study of the entire Namoi Basin on the flood plain area to assess the situation before any further exploration or mining takes place.
Mr WINDSOR (New England) (5.07 pm)—Mr Deputy Speaker, just in terms of amendment (12) again, the word ‘idiot’ was used and there is some debate about whether it is an acceptable word to use. I would ask the general public who are listening to this: if someone votes in the House of Representatives for an amendment that is five lines long—an amendment which the coalition voted for; the member for Parkes just said that he voted for it—and if the same group of people in another place laud that amendment as being one of the greatest processes of probity that the parliament has ever seen—

Mrs Mirabella—Mr Deputy Speaker, I raise a point of order. Is the member for New England speaking on a point of order?

The DEPUTY SPEAKER (Mr KJ Thomson)—No, we are considering Senate amendments. The member for New England is speaking to the question that Senate amendments (1), (9) and (12) be agreed to.

Mrs Mirabella—Well, he is not speaking to those amendments; he is speaking to a previous withdrawal that he has made. To assist the House and others who are interested in other substantive amendments to the bill, could he please wind up and not try to defend previous statements?

The DEPUTY SPEAKER—There is no point of order. The member for New England is in order.

Mr WINDSOR—If that same group of people in the Senate who supported that amendment and lauded it—Senator Williams, Senator Barnaby Joyce and many of the others said it was a great amendment that Senator Brown was introducing into the Senate—then suddenly, on Wednesday night, find that it is not a great amendment, that they have made a mistake, then one would have to consider the word ‘idiot’ as being an apt description of their capacity to intellectually engage with five lines. In consultation with Mitch Hooke and others and the member for Groom, they have decided that there is a way out of this: ‘If we remove the term ‘mining’ and not have exploration licences, there is a way through this that can save the member for Parkes and others’ necks by confusing the issue.’ But, as I said earlier, all that has done is reinstate the very thing the member for Parkes just spoke against, the state based planning process, which is a problem, particularly when we have just initiated a basin planning process for the Murray-Darling system, we are going to do substantial water audits, both in quality and quantity, and we do not know the impacts of these interconnectivity issues.

The member for Groom took offence at a couple of things I said. Senator Barnaby Joyce is on the public record as saying they were leaned on by the Minerals Council—that is his statement. For the member for Groom to jump up and down and say this is a tragedy—

Mr Briggs interjecting—

Mr WINDSOR—If you have got something to say, you can take five minutes on your feet. I agree with the member for Parkes: we will be successful in getting a study of the Namoi. But what that means in the Murray-Darling context is that an opportunity is going to be missed because we have got people on Haystack Plain on the Darling Downs with a similar issue and there are a number of locations across the Murray-Darling system that are going to experience these very same issues. And if we have to go through this political nonsense every time one of those issues is raised, to beg and cajole to get some money for an independent study, then heaven help us. I am very disappointed in the member for Parkes. I get on well with him personally, but this is an absolute cop-out for the people he is representing—and not only for those people but for
the people that I represent in the same valley system. It is an absolute cop-out and an abrogation of the responsibility that he has been given by his constituents.

The other issue that was raised in relation to this by Senator Williams, a National Party senator, is that the original amendment that the coalition and Senator Williams voted for in the Senate was going to ruin small exploration companies because they would have to incur enormous expense to allow them to explore. The amendment is about the granting of exploration licences. No-one, even under today’s flawed process, explores unless they are granted an exploration licence. (Time expired)

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (5.12 pm)—I move:

That the question be put.

Question agreed to.

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (5.13 pm)—I move:

That Senate amendments (2) to (8), (10), (11) and (13) to (15) be disagreed to.

In my previous remarks I noted that last week the Senate debated the Water Amendment Bill over a number of days and that during that debate 16 amendments were debated and they are before us now. The government does not support 12 amendments—(2), (3), (4), (5), (6), (7), (8), (10), (11), (13), (14) and (15)—as listed in the schedule issued by the Senate that is before us today. Amendment (4) which proposes a new definition for ‘critical human needs’ is not supported as it cannot be supported by the referral of powers from Murray-Darling Basin states. As referred text, this aspect of the act cannot be changed without working through the various mechanisms of the referral, including reconsideration of the provision by the state parliaments. In addition, the government does not support the policy intent of the change.

A number of the Senate amendments are not consistent with the policy behind the Water Amendment Bill and the government does not support them. These amendments are amendment (2), which proposes a role for the Productivity Commission in the review of the operation of the Water Act 2007, which is not supported in particular because of the detailed review provisions that are already in place; and amendments (6), (7) and (13), which propose to limit new extractions of water from the Murray-Darling Basin and impact upon existing extractions from the basin. The government is not supportive of mechanisms that predetermine how water can be used so long as the extraction of that water is within the sustainable diversion limit established under the basin plan. Accordingly, the government does not support these amendments.

The government does not support amendment (8), which proposes that the Murray-Darling Basin Authority pursue the objects of the act and make recommendations to others to do the same. The purpose of the authority’s basin plan already is to promote the objectives of the act and we have concerns about the independence of other agencies if this parliament provides for the authority to make recommendations to other agencies. We do not support amendment (11), which proposes changes to the basis of engaging members of the Murray-Darling Basin Authority and has the potential to alter the governance arrangements for this organisation in a way that is not supported by the government and is also inconsistent with the intergovernmental agreement on Murray-Darling Basin reform signed by first ministers in July; and amendment (14), which proposes the development of a legislative
instrument associated with entries into the water market by the Commonwealth. The Minister for Climate Change and Water intends to develop and publish guidelines on the Commonwealth’s water purchasing programs. Accordingly, this amendment is not supported, on the basis of the transparent approach the government is already taking in respect of its purchasing activities. Amendment (15), which proposes funding communities around the Lower Lakes and Coorong in South Australia, is not supported given the substantial and effectively targeted funding that is already flowing to support the needs of this important region under the Water for the Future program.

I refer now additionally to amendments that are not supported as they do not in fact achieve anything that the current Water Act 2007 and Water Amendment Bill 2008 do not already achieve, or are achieved through other means and are thus redundant. They are: amendment (3), which proposes auditing for the water recovery aspects of the Living Murray Initiative, which we believe is duplicative of existing thorough auditing arrangements which we fully support; amendment (5), which proposes a whole-of-basin approach be adopted by the Murray-Darling Basin Authority, which is already extensively provided for through the existing provisions; and amendment (10), which proposes to restate constraints on the directions of the minister to the Murray-Darling Basin Authority, which are already stated elsewhere in the Water Act 2007.

I will just comment on the remarks that have been made by the member for Windsor. It would be unreasonable for the government to require a detailed assessment of potential groundwater impacts associated with mining prior to even the issue of exploration licences and, whilst noting what the member has said, the government would and will oppose any amendment along the lines of the ones that are in front of us now. We do not believe that parliament should be imposing on the rights of state governments to issue mining licences, and the government has been consistent on that position from day one.

Mr HUNT (Flinders) (5.18 pm)—As of this moment, the government, the Prime Minister, Senator Wong and the Minister for the Environment, Heritage and the Arts own the north-south pipeline. By disallowing the amendments that the Senate has made to block the north-south pipeline, by overriding not just the Liberal Party, the National Party, the Greens, and Family First but also the Independents, and by overriding the will of the Senate, what they are saying to the people of Victoria, the people of the Goulburn and the people of the Murray is very simple: green light to Mr Brumby for the pipeline and red light to the Senate, which sought to block this pipeline. They will override the Senate. They will make the Senate’s work void. They will say to the people of Victoria: ‘There is no hope. We have ruled that this pipeline will go ahead.’ They have made the Senate meaningless by overriding the will of the Senate. And in addition they have done it by overriding a very simple amendment which calls for the Living Murray agreement to be honoured.

The Living Murray agreement was an agreement which was designed to introduce and to return water to the Murray. That water will now, through an accounting trick, be held back for two, three, maybe four years and sucked up the pipeline instead of going down the Murray and down the Goulburn as was intended. This is utterly outrageous.

Another thing they do in these amendments is knock on the head $50 million for the people of the Lower Lakes, people who have not had access to structural adjustment funding for small businesses—for the communities, the boat builders, the boat opera-
tors and the tourism operators. At the end of the day we will stand by our amendments from the House. They cover a range of matters but, most importantly, they stand to protect the people of the Goulburn and the Murray from having water taken away by the north-south pipeline. We will stand by the people of the Lower Lakes.

But let it be known that from this moment forward, Kevin Rudd owns the north-south pipeline. He has given it a green light. He has overridden the Senate. He had used bullyboy tactics and numbers in this House to override the will of the people in the Senate. It is a dark day for people who care about the future of the Murray and the future of the Goulburn and the future of the Lower Lakes.

FRAN BAILEY (McEwen) (5.21 pm)—I rise today to speak specifically about Senate amendment (6) to the Water Amendment Bill 2008 which refers to the north-south pipeline or, put simply, the government giving the imprimatur to the Victorian government to act as a rogue trader, acting to extract a net amount of 75 billion litres of water out of the Murray-Darling system and to send it down a pipe to Melbourne, a pipe that will travel a distance of some 75 kilometres from the township of Yea in my electorate to the Sugarloaf Reservoir, also in my electorate.

It surely defies all reason. It does certainly for those of us on this side of the House and I am quite sure to anyone listening in to this debate. On the one hand, we have the Minister for Climate Change and Water, Senator Wong, spending in excess of $12 billion to put water back into the Murray-Darling system and to send it down a pipe to Melbourne, a pipe that will travel a distance of some 75 kilometres from the township of Yea in my electorate to the Sugarloaf Reservoir, also in my electorate.

The minister for the environment, who is sitting at the table, surely could not be aware that along the length of the pipeline there would need to be five pumping stations—if ever they can find the water to send it down to Melbourne out of this heavily stressed region in drought—pumping emissions into the atmosphere. Mr Deputy Speaker, you have to ask yourself why the Victorian government would make this decision and overturn a previous commitment. Why does the Rudd government support the Victorian government in this very bad policy? The answer, of course, lies in votes in Melbourne. They do not care what this does to all the people in the farming communities. They do not give two hoots about the people in the Goulburn Valley. Their only concern is shoring up votes in Melbourne.

People listening to this debate must also understand that the Rudd government is giving its imprimatur to the types of activities that the Victorian government has endorsed. As a local policeman said to me about their
water legislation just recently, these Mel- bourne Water officials have more power than the police in Victoria. They have the author- ity to enter people’s land. More than 10 of my constituents have been arrested for trying to protect their own property. I have wit- nessed Melbourne Water officials cutting padlocks and entering properties. I have also seen them taking heavy equipment and drag- ging it through paddocks that have been locked up to make hay. I have witnessed the damage on people’s individual properties and also through the Kinglake National Park and the Toolangi National Park, yet the minister for the environment is the person who has given his imprimatur to this project and is allowing the Victorian government to act in such a rogue manner in stealing water out of the basin and to act so irresponsibly. (Time expired)

Mr John Cobb (Calare) (5.26 pm)—
The reason the amendments that we support to the Water Amendment Bill 2008 are being disagreed to by the government is quite ob- viously the fact that they have absolutely nothing to lose politically. They have not one seat in the basin that is affected by all their decisions. There are something like 17 seats in the basin and the government touches just fractionally on three of them. The coalition and one Independent are in the rest of them. On one day the government bought Toorale Station and about 13,000 megalitres of water. This took about 10 per cent of the annual turnover of the shire of Bourke. The next day they gave permission for a pipeline capable of carrying 110 gigalitres of water. Yes, it might only be 75 gigalitres at the moment, but that pipeline has the capacity for 110 gigalitres of water. If they are serious about desalination or reusing waste water in Mel- bourne, why do they need this? What Brumby wants, and what the Prime Minister is agreeing to, is to take away the necessity for the Victorian government to spend money on desalination. They are going to steal water out of the Murray-Darling Basin instead.

It is very plain that this is a political deci- sion. It is meant to make Sydney, Melbourne, Brisbane and Adelaide happy—although I am not quite sure it is going to make Ade- laide very happy at all. It is certainly in- tended to make Sydney, Melbourne and Brisbane think that they are dealing with the Murray-Darling Basin. They are dealing with it, but they are just buying everything out of it and heaven help the two million people who live in it. They will have to suffer sim- ply because there is no political backlash as the government do not hold any seats there. Why are they buying water from people at the most vulnerable stage of their careers? They are drought ridden, such as those on the Lachlan River, which has had no general allocation in six years. Of course they are in trouble. They are looking to sell water be- cause banks are on their backs and all those things we know about.

If that is the case, and if the government want to be fair dinkum about this, why did they not agree to the amendment on trans- parency, which would have ensured that those buying knew what their water, in a par- ticular part of the river system, was worth so that they would be not be cheated? This gov- ernment are trying, at this time, to buy the most airspace rather than water, because the water is quite obviously not in the dams. They are trying buy water as cheaply as possi- ble under secret tender. They might become transparent about it after the event, but they are not going to let people know what the going market price is while they are doing it. They have allocated $3.6 billion so far to- wards buying water, and when they do buy it, nobody else will be able to compete against them, nor will they try. This is proba- bly the most heartless thing we have ever seen. They have got rid of absolutely all of
the restructuring money. They are totally unconcerned.

Do not laugh and shake your head, the member for Maribyrnong; your own minister quite bluntly said that there would be no restructuring money. It is not just my electorate that is going to suffer here. It will be everyone in the Murray-Darling Basin. It will not just be the people who use water to irrigate who will suffer from this. There are many towns, communities and workers that will suffer. When the government knocked off the station of Toorale, gave it to the New South Wales government and made that a burden on the Bourke community—rather than the bonus it had been, as the best station west of the Darling River—they turned their back on that community. And I have heard them, including the Minister for the Environment, Heritage and the Arts, who is opposite, stand up in this House and skite about that.

Dr STONE (Murray) (5.31 pm)—I rise to argue very strongly that all of the amendments to the Water Amendment Bill 2008 be supported. In particular I am understandably concerned about amendment (6), which talks about making sure that we do not allow further extractions from the Murray-Darling Basin for non-basin use. In particular, this amendment focuses on something like the north-south pipeline, a project which would take some 75 gigalitres minimum, but up to 100 gigalitres, to deliver water out of the Murray-Darling Basin—out of the most degraded tributary to the Murray, the Goulburn River.

That water would be delivered to Melbourne, which has options. Those options include recycling—not necessarily for potable use, but for all of its industrial and outdoors use. Also in Melbourne they could do a lot more with their Eastern Treatment Plant. They could look at their stormwater harvesting—or rather the lack of it—and desalinisation plants. We know that Melbourne has alternatives which could drought proof it. It is not a sensible or happy alternative to have it hooked into a drought-stressed part of the basin which, as I said, has already been officially designated the most degraded in the system.

Let me also say that I am stunned at the Minister for the Environment, Heritage and the Arts, who is sitting at the table, denying these amendments. He, himself, recognised the environmental impacts of this pipeline when he designated it as a controlled action under the EPBC Act.

Mr Garrett interjecting—

Dr STONE—He denies it; that is interesting. The minister says that he did not designate it as a controlled action under the EPBC Act. The government did—is that what you mean, Minister? You are denying it and washing your hands of it. That is very interesting; let me take note.

Someone in the government designated the pipeline as a controlled action under the EPBC Act. The minister, under his hand—he is denying it so someone forged his signature—said that there was a series of conditions applying to that pipeline. Those conditions included such things as not using the environmental reserve out of the Eildon Dam—there are 30 gigalitres there—and making sure there were environmental plans for the numbers of vulnerable species. The third major area of conditions was that water already saved through the investment of the Living Murray or Water for Rivers programs could not be sent to Melbourne.

Those conditions in themselves recognised the problem of the pipeline and its pure absurdity in robbing Peter to pay Paul in taking water out of a drought-stressed, climate-change-affected part of the catchment over the range to Melbourne. Sadly, the minister—and we now begin to understand why—
has let the ball drop on those conditions. We already have Premier Brumby quite happily having water from the environment reserve in Eildon, some 10 gigalitres, go to another city—that is, the city of Bendigo. So we have no real trust in the minister for the environment upholding that condition. We have already seen wriggle room given to Premier Brumby about water already paid for and saved under the Living Murray and Water for Rivers programs.

Let me tell you what we sacrifice when we send a pipeline with the precious water out of the basin over the Great Divide to Melbourne. We have rural communities there who are food producers. They produce many billions of dollars worth of food annually which has produced export earnings for the state, including the biggest exports of milk powder commodities out of Geelong, and has also supplied Australia with cheap, clean, green dairy products, fruit products, meats and a whole range of wines and vine fruit. All of that is now in jeopardy because this government says that the pipeline will go ahead. We do not have any cost-benefit analysis. We do not have any environmental analysis. There is no social impact assessment. Again, in his words just a few minutes ago, the minister has knocked that amendment out.

This pipeline is going to go ahead because basically people who live to the north of the Great Divide do not vote Labor, and therefore there is not a vote to be lost, the state governments thinks, by taking the water from the basin to Melbourne—which has options. I say to you, Minister: have some principles, start to think about the environmental impacts, the social and human impacts and the food security losses to Australia. I call on the minister to uphold his EPBC conditions. He has already denied they are his. I beg that he goes back and looks at his own documentation, because he will live to rue the day that he let this pipeline go ahead on his watch. And the people of Melbourne themselves, when they come to understand the travesty of justice that has occurred, will be asking Premier Brumby why he let it happen. Certainly the people in my electorate know why it is happening: it is about politics, and they are deeply traumatised and distressed by the fact that they cannot go on being food producers, their children do not have a future, the environment will be severely degraded and food will not be provided. (Time expired)

Mr WINDSOR (New England) (5.36 pm)—There are couple of issues that I would like to speak about briefly. I support the member for Murray in terms of amendment (6) to the Water Amendment Bill 2008. It seems to me that not supporting it makes a nonsense of what we are trying to achieve in relation to the totality of the Murray-Darling system, particularly when there are other options available. Most of our capital cities are surrounded by water, but there are problems with that water in that it has salt in it. Some cities are taking the salt out of the water and using the water, and we are told that, if climate change does persist—I think it probably will, and I support the government on its initiatives; in fact, I encourage it to do more than what it seems it is going to do—and polar meltdowns occur, we are going to have more water around our cities. So to be taking a highly valuable resource and transferring it back to a city from an inland river system seems to me to be the height of absurdity when all those other options are available. I sat on a committee that looked at some of the options for Melbourne a few years back, and I do not think any of those recommendations have been taken into account.

The other issue I want to speak briefly about is the disaster that has occurred in the Coorong and the Lower Lakes. Here again, I
have real difficulty in reconciling the logic. I remember Prime Minister Rudd and Minister Wong travelling to the Murray mouth—and I have been to the Murray mouth on a number of occasions to look at what is happening down there. They were making the point, in terms of the Murray mouth and this legislation, that we had to do something for the totality of the system rather than four states governing the river systems—we had to do something because what we had done in the past was a massive mistake. There are certain issues that we can all argue about: barrages, for instance. What are they doing there? Who put them there? Why are they there?

Mr Briggs—Because we regulate it.

Mr WINDSOR—I know what the answer is but, if we are trying to gain a more natural system, should they be there in the first place? Lake Alexandrina and the smaller lakes have destroyed the surrounding environment. But the point I make in terms of that issue is that, if we agree with the logic that the Prime Minister and Minister Wong were using, that we have made mistakes in the past, then we really should do something to make sure that it does not happen again. To do that, we need a process, a basin plan that this legislation goes towards putting in place. Why would we not get the science right in terms of the water within the system? Why, suddenly, is the mining industry exempt when the irrigation industry is not? Why are we condemning past procedures—in terms of allocation, land clearing and some of those issues—and then sitting back in this place and allowing an activity like mining?

I am not against coalmines; I have a coalmine next door to me and I work well with it, but surely, Minister Garrett, we need to examine the science of these systems and work out how they work to start with—because we do not understand that—and then overlay a three-dimensional map, in a sense, of what would happen if we allow an activity such as mining to take place in the various groundwater systems. The logic, Minister, does not fit. I agree—and I have argued for quite some years—that we should be doing something about the Murray-Darling system, and I am pleased to see something is being done. But to exempt big business in an area where there is a highly productive food-producing capacity makes a nonsense of the logic.

The previous government spent $8 million on water reform and not one megalitre of water was added back into the system. I would hate to see this legislation wend its way through history and another $10 million spent with very little—(Time expired)

Mr BRIGGS (Mayo) (5.41 pm)—I thank the Minister for the Environment, Heritage and the Arts for the opportunity to contribute to the debate on these amendments to the Water Amendment Bill 2008. Firstly, I want to speak about the comments the member for New England has just made about the Lower Lakes and the Coorong, about Lake Alexandrina and Lake Albert. In relation to the barrages, they are there because the rest of the system was overextracted and overregulated. You cannot argue that historically the barrages were not there, so we should return to that situation. To do so you would have to remove all the weirs and locks along the way to give the flow back to the system. It simply does not make sense to argue that we should take the barrages out and flood the Lower Lakes with salt water and that that is how it used to be, because the rest of the system was not regulated as it is today. It just does not make sense, and I will make some comments about that later in this contribution.

I wish to speak in support of two amendments in particular: amendment (6) in relation to the pipeline and the extraction of water for the pipeline, and amendment (15) in
relation to the assistance package for the people of the Lower Lakes and the Coorong. I will speak to the assistance package amendment first. The disaster at the Lower Lakes is very hard to understand from this place. The livelihoods of the people down there are suffering enormously. They rely very much on the tourism industry in many respects. The irrigators along the Lower Lakes can no longer access water and have not been able to for some time. We need to help these people in their hour of need. It is not good enough for the minister to throw up his hands and say, ‘We are doing all these different things to reform the system.’ I understand that long-term structural issues are being dealt with. They were laid out in a plan by the Leader of the Opposition and the former Prime Minister in January 2007, and if the Premier of Victoria had not stood in the way—

Mr Shorten—He didn’t take it to cabinet, though, did he?

Mr Briggs—I know the member for Maribyrnong, the Parliamentary Secretary for Disabilities and Children’s Services, is desperate to jump over the minister and take the minister’s portfolio but he should let the minister interject if he wishes. The plan was laid out in January 2007, and that deals with the long-term structural issues. But, in the short term, these people need some help to get through what is an absolute crisis in the system. Their livelihoods are being destroyed. Community groups and community facilities, like the golf course and the footy grounds and so forth, which are so important to the Australian culture, are dying because water cannot be accessed or cannot be accessed at a reasonable price. What I am asking for, and what the people of my electorate are asking for, is a bit of help to get through the situation.

I was disappointed on Thursday that the Minister for Climate Change and Water—and I know she is under extraordinary pressure at the moment—claimed that this was a political stunt. I can tell you it is not. The member for Murray said earlier that ministers do not respond on these issues because there are no Labor voters north of the divide. I am happy to say that in my by-election there were no Labor voters, because Labor would not run. They would not run because they are embarrassed about what has happened in the Lower Lakes and their response to it. I urge the minister at the table, the Minister for the Environment, Heritage and the Arts, and the minister for climate change to reconsider their decision on these amendments. It would assist the people in the area. I urge the parliamentary secretary to come and visit me in Mayo and I will take him to the Lower Lakes, and I urge the minister to do the same. It is a disaster and it would be of great assistance to the people of the region if we could get a package of help.

Secondly, I wish to deal with the pipeline—one of the most absurd policy decisions ever made. We have, as the member for New England said, a situation where the system is overextracted already and a government says, ‘I know what we’ll do—we’ll extract more.’ That is simply what they have done. They have said, ‘We’ll extract more.’ It just does not make sense. Explain that to the people of the Lower Lakes, who I notice today are now threatened by the state government with flooding with salt water. The minister is probably not aware, but I am sure his staff are, that the state Labor government has applied today for approval to let seawater go into the Lower Lakes. The government are allowing 75 gigs to come out of the Goulburn River but will not let that prevent the Lower Lakes from being flooded. It is a disgrace. I urge the minister to not approve this application. This is a white flag for the
Lower Lakes and a green flag for the pipeline. It is a disgrace and the minister has the power to stop it. (Time expired)

Mrs MIRABELLA (Indi) (5.47 pm)—I rise this evening to speak as a representative of an electorate that is going to be directly impacted by Labor’s north-south pipeline. I am particularly proud that on this side of the House we are taking a strong stand against this pipeline—a single decision made by the state Labor government in Victoria that will have the greatest negative impact on country Victoria, particularly in north and north-east Victoria. The premise upon which the opposition oppose the pipeline is simple: we believe that it is unacceptable for water to be diverted from a stressed river catchment so that it can be piped to a capital city. We find it unacceptable that, as local farmers in my electorate struggle with the harsh and prolonged drought, the government wishes to steal water from these drought ravaged catchments.

This is Labor’s pipeline. Steve Bracks created it and now John Brumby has to implement it. It was state Labor’s creation because they failed to invest in adequate water infrastructure, and now they want to punish our agricultural industries and steal our water. This is state Labor’s invention but it is about to become federal Labor’s political death knell for the Murray-Darling. In other words: John Brumby’s policy plaything will highlight Kevin Rudd’s imprimatur for the self-destruction of the Murray-Darling. The Prime Minister has to take, and will take, personal responsibility for this pipeline—after all, the buck stops with him, we keep getting told—if these amendments are not passed. If Labor buckle and pass the bill in its current form, as they probably will, and side with the Victorian Labor Party and their mates, Labor members opposite will have shown that they stand for the destruction of the Murray-Goulburn system and authorise a project to take between 75 and 100 billion litres of water from this already stressed system.

The minister ignored detailed analysis of the submissions regarding referral to the EPBC Act. He gave it the green light. He and his Labor colleagues opposite can now stand up and be counted. They can go along with the Victorian government’s line or they can take a stand for the Murray-Darling Basin, which is highly unlikely. They need to decide whether to use their numbers to stand up for farmers and water users in our region and the environment or simply endorse state Labor’s flawed agenda, which will devastate farmers, residents and families right across my and other electorates. But, as we have seen from this federal Labor government, bailing out their state mates from the poor decisions they have made is a pattern that they will probably follow.

You can see the embarrassment on federal Labor politicians’ faces when they are called on to defend the pipeline proposal. When the Minister for the Environment, Heritage and the Arts, Peter Garrett, was on the ABC’s Q&A program, he said that Labor’s pipeline was necessary because it was for drinking water for humans in Melbourne. This is blatantly untrue, because the pipeline will only redirect water from our food-growing region to be flushed down toilets and to go over cars, down gutters and onto lawns in Melbourne. It is also worth noting that the Labor Party made an election promise in Victoria to not take water from our farmers north of the divide, from the Goulburn and the Murray. These rivers are under pressure and they know it. Farmers are crying out for assistance and all that state and federal Labor can offer them is a ridiculous plan to steal their water. Have members opposite not read the recent CSIRO report or the recent Murray-Darling sustainable yield report? This information highlights the severe stress that these
systems currently face, yet the Labor Party think it is appropriate to drain water away from this system. Labor’s pipeline to Melbourne is a disaster in waiting. Even Victoria’s Auditor-General has expressed concern at the handling of the project and its intent. The message for Labor is clear: the drought is not yet over and our water storages are still low. There is very little chance of there being any significant water savings over the next three years, meaning that this pipeline project could well go down in history as nothing more than an expensive white elephant.

To make matters worse, the Victorian government are trying to portray as criminals the country residents against the pipeline. The north-south pipeline is the single most disastrous policy put forward by the Victorian Labor government, and let me tell you: there is some competition for that label. It has been condemned by farmers and residents across the north-east and has even been vehemently opposed by the 2007 Australian of the Year, Tim Flannery, and Australian Greens leader Bob Brown, on environmental grounds. Yet the Labor government continue to arrogantly push ahead with it, demonstrating how truly out of touch they are. I call on members opposite to take a stand against the north-south pipeline, put the welfare of rural and regional Australia ahead of toeing the party line and stop defending the government in Victoria. Winning an election does not mean that they have carte blanche to destroy the natural resources and the local communities in country Victoria. Show some courage and support the opposition’s amendments. (Time expired)

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (5.52 pm)—Can I make a few points in reply to the comments that have been made by opposition members and point out to them something which has so far escaped their comprehension in the debate on this bill—that is, prior to the passage of the Water Act 2007, the opposition leader’s legislation, the government knew full well about Premier Bracks’s decision to construct this pipeline. They knew full well about it, but they chose to do nothing about it.

We have had opposition members in here lecturing us about the morality of dealing with water. Can I point out to members opposite that they did nothing substantial about water for a decade and more. What has changed since then is that they are now in opposition and they are basically going through an exercise of pulling stunts, scoring cheap political points, bringing commentary into the House which is either inaccurate or untrue. The fact is that the agreement that was secured earlier this year—the historic agreement through the Council of Australian Governments—to undertake the reform of the Murray-Darling Basin was, at this point, the kind of reform that both the states and the Commonwealth needed, but that the previous government, the Liberal-National Party coalition, was simply incapable of doing. That is the point that those opposite do not seem to understand.

Mr Briggs—They’ve still got a right to veto. How is that historic?

Mr GARRETT—that agreement enabled the referral of powers to the Commonwealth so that the new authority could manage the basin as a whole, for a whole-of-basin plan. The problem is that some members opposite—

Mr Briggs—But you’re not managing it for the whole. That is a complete fib!

Mr GARRETT—The member for Mayo has had every opportunity to put his views. I think this is an opportunity for him to listen as the government puts its views back to the opposition. The fact of the matter is that those opposite have got conflicted positions on this particular issue.
Opposition members interjecting—

Mr GARRETT—Oh yes, they have conflicted issues on water buyback. The member for Calare has gone now, but he is completely in opposition to the shadow minister on this issue. With respect to the shadow minister, let us just be clear: he said, ‘We will not stand in the way of the Water Act.’ I am looking at the *Australian* of 14 November and he said:

Mr Hunt said he would not delay the passage of the federal bill, despite his planned amendments.

So are the members opposite going to block real reform or are they going to continue to play politics in the Senate with it? Is the opposition going to recognise that, at this stage, in order to properly engage in the process of water reform—

Dr Stone—Are you going to stop the pipeline?

Fran Bailey—Do you want to own the pipeline? If you don’t overturn this, you will own the pipeline!

The DEPUTY SPEAKER (Hon. DS Vale)—Order!

Mr GARRETT—Thanks, Madam Deputy Speaker. I will refrain from speaking across the chamber to these continuing, rude interjections.

I will now refer to some of the substance of the amendments. The opposition want to narrow the definition of ‘critical human water needs’. This means that the security of crucial industrial water supply for key employers such as OneSteel in Whyalla is now in jeopardy. South Australian jobs will be at risk under the amendments they are proposing. The opposition want to reduce water supplies. They have moved an amendment to enforce a reduction over time in the amount of water taken from the basin to meet the needs of population centres outside the Murray-Darling Basin. This means that if you live in Adelaide, Port Pirie, Port Augusta, Whyalla, Keith or Ballarat and Ararat in Victoria then your water supplies will be progressively cut over time. The question then for the opposition is: how much do the opposition want to cut from the water supplies of these communities?

They want to block the Sugarloaf Pipeline. Members will recall that the Sugarloaf Pipeline was announced while Mr Turnbull, the now opposition leader, had responsibility in the previous government for water policy, but he did nothing to try to stop them. He did absolutely nothing to try to stop them. Now the opposition are conveniently ignoring—

Dr Stone interjecting—

Mr GARRETT—The member for Murray comes in here and hectos me about principles. Given the question she put in question time today, I would have thought she was the last person in the world to give me a lecture on principles. But let me just remind the member opposite that as environment minister I have made it clear that under my approval under the EPBC Act no water can be taken from savings allocated to the Living Murray initiative, from Water for Rivers entitlements, which includes the Snowy, or from environmental reserves, and all water savings projects supplying the pipeline are independently audited and compliant with the EPBC Act. At this particular point in time, I propose that the question now be put.

Mr Secker—So you’re not going to let the member who represents all of the Murray in South Australia speak on this? Is that what you’re saying?

The DEPUTY SPEAKER—Order! Member for Barker, the motion is that the question be now put.

Mr Secker—So you don’t want to hear from the person who represents all of the Murray in South Australia?
Mr Garrett—Madame Deputy Speaker, I am perfectly willing to let the member for Barker make a contribution to this debate.

Mr SECKER (Barker) (5.57 pm)—Yes, I do have the pleasure and the honour and the duty to represent all of the Murray River in South Australia. I also represent the Lower Lakes. I represent the Coorong and Lake Albert and Lake Alexandrina—they are not the ‘Coorong lakes’, as the Prime Minister wrongly called them earlier in the year in this parliament—and I am very concerned that the South Australian water minister is now seeking permission to flood the Lower Lakes with sea water. That will be irreversible. If that ever happens, it can never return to what it was. It will kill the lakes. I truly hope that the minister will reject that proposal. It is not necessary; it is not for the health of the Lower Lakes. It concerns me that here we are on the same day waving a white flag to inundating the Lower Lakes with sea water and at the same time giving the green light to stealing water from the Murray.

The Minister for the Environment, Heritage and the Arts, in his contribution to this debate, continually said that the Howard government did nothing about the Murray-Darling system. It is only the fact that there were 94 gigalitres saved from the Murray-Goulburn system that this water is now available to the Victorian government. It is not for some future proposal, where they could argue the toss that if they saved 300 gigalitres, for example, through efficiencies and better infrastructure they could use one-quarter of that. The Victorian government is proposing to use all of those 94 gigalitres of water and pipe it to Melbourne. That will be a repeat of the mistake that we made in South Australia with the Loxton rehabilitation scheme. We piped everything under pressure and saved about 45 gigalitres. What did state Labor do? Instead of returning to the river the water saved through the Living Murray initiative, it sold it to the Barossa and Clare areas. I am sure they were very happy about that, but the fact is that it was the wrong decision and we should learn from that wrong decision and not repeat it in Victoria.

The Howard government did a lot about saving water through better infrastructure. The Howard government proposed the $10 billion plan which I was very confident would save the Murray in time. Now we have a government that are prepared to allow the Victorian government to use that water for their own supply, when the Victorian government could not get their act into gear to build reservoirs or desalination plants or to recycle water or recycle stormwater. The state government is being protected by the federal government through this scheme, and they are quite prepared to let it go on. Let the Victorian government, if they want to in the future, put in a proper scheme like we did in Loxton and argue the toss about getting a share of the savings. But do not let it take any of the 94 gigalitres saved under the Howard government’s infrastructure upgrades. I repeat: the only reason that there are water savings to use in the north-south pipeline is the Howard government. One day I hope the minister will recognise that the Howard government did quite a bit and was prepared to make an even further commitment with the $10 billion plan.

Unfortunately, we are now in the position where not one dollar of the $6 billion set aside for infrastructure upgrades has been spent. In 12 months, not one dollar has been spent by the Rudd Labor government on improving infrastructure. That is the only way you can have a balanced approach to ensuring that we in this country have food security and better use our water—that is, produce more crop per drop. We have a government that has failed miserably. (Time expired)
Question put:
That Senate amendments (2) to (8), (10), (11) and (13) to (15) be disagreed to.

The House divided. [6.07 pm]
(The Deputy Speaker—Hon. DS Vale)

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Question agreed to.

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (6.12 pm)—I present the reasons for the House disagreeing to the Senate amendments, and I move:

That the reasons be adopted.

Question agreed to.

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (6.13 pm)—I move:

That Senate amendment (16) be agreed to, with the Government amendment:
(1) Senate amendment (16) (heading to proposed new Schedule 4 to the Water Act 2007):

Omit “the recognition of Indigenous water rights”, substitute “Indigenous representation on the Basin Community Committee”.

This amendment recognises that the Senate passed an amendment to the bill on 27 November to insert a new schedule in the Water Amendment Bill: schedule 4—amendments related to the recognition of Indigenous water rights. As a consequence, the title of schedule 4 does not reflect its substantive content, so an amendment is proposed to rename it ‘schedule 4—amendments relating to Indigenous representation on the basin community committee’.

Question agreed to.

Mr WINDSOR (New England) (6.14 pm)—by leave—I move:

That Senate amendment (12) be amended as follows:

(1) After ‘Prior to’ insert ‘exploration’.

(2) At the end of the amendment add:

(2) Where a substantial risk is identified exploration licences must not be granted.

This amendment should not need any further explanation because it has been supported on two occasions. The coalition supported it in this chamber on 15 October. The coalition again supported it in the Senate on 26 November and then, on the next day, reneged on its support. If the coalition had maintained its support for this proposed amendment in the Senate, we may well be looking at very different legislation in this chamber. I raised this issue at an earlier time, so I will not take too much of the parliament’s time.

The intent of this amendment is that, prior to an exploration licence for a mining operation being granted, a proper scientific study of the interconnected groundwater valleys of the Murray-Darling system be carried out. The reason I suggest this is that in New South Wales at the moment we have a government which is very keen to get money from mining companies and is releasing mining licences for areas that contain alluvial flood plain land with massive groundwater systems underneath. We think, although we do not properly understand the science, that those systems are interconnected and have a relationship with the river systems. This legislation is about putting in place the structures for a Murray-Darling Basin plan, with each valley having a cap. What I am suggesting is that you cannot put in place a proper basin plan without fully understanding the science of the groundwater.

The amendment would in effect mean that an exploration licence could not be granted until an appropriate study is done. I would suggest, as others have, that we do a three-dimensional study where we actually map the groundwater and then assess the risks of mining activity to those particular areas. That does not mean and does not say that you cannot mine there, and it does not mean that it is the end of the mining industry as we know it. What it means—and this legislation is all about trying not to make the mistakes that we have made in the past—is that, before we make a decision to mine certain areas of land, we do a risk assessment of the potential impacts of that activity on those groundwater systems. The current state based approval process is essentially a localised environmental impact statement process. The great fear that I have in relation to that process is there is no regard for downstream impacts. The impacts on water quality and quantity could occur many hundreds of kilometres away from a mine site. Until we understand those interconnectivity issues we should not be allowing exploration.

The coalition and the Labor Party butchered this amendment in the Senate by coming together—obviously to support the mining industry—and removing the word ‘ex-
ploration’. That does a number of things, including allow mining companies to leave a blight on landholders’ land while they explore groundwater systems, and they will never be able to mine because of the quantities of water there. What I am suggesting is that, rather than have mining companies wasting that money, we do a proper scientific study and find out which areas are at high risk environmentally. Then we would not allow exploration licences for those areas to be granted. The Minister for the Environment, Heritage and the Arts would be well aware that we do not grant exploration licences for national parks or wilderness areas. I would suggest that we apply a similar logic to these very sensitive areas, particularly when we are in here debating very important legislation which encapsulates the inflows into the Murray-Darling system. I would urge all of you to reconsider your positions on this and support the amendment. *(Time expired)*

The DEPUTY SPEAKER (Hon. D. S. Vale)—The question is that the member for New England’s amendment be agreed to.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER—As there are fewer than five members on the side of the ayes in this division, I declare the question negatived in accordance with standing order 127. The names of those members who are in the minority will be recorded in the *Votes and Proceedings*.

Question negatived, Mr Katter and Mr Windsor voting aye.

NATION-BUILDING FUNDS BILL 2008

Report from Main Committee

Bill returned from Main Committee for further consideration; certified copy of the bill presented.

Ordered that this bill be considered immediately.

**Second Reading**

Debate resumed.

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (6.25 pm)—The Nation-building Funds Bill 2008 and the Nation-building Funds (Consequential Amendments) Bill 2008 give effect to the government’s 2008-09 budget announcement to establish the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund. To provide a mechanism to distribute grant payments from the funds to states and territories, the Treasurer has also introduced the COAG Reform Fund Bill 2008 to establish the COAG Reform Fund. With these significant commitments in transport, communications, energy, water, education, research and health infrastructure, the nation-building funds will assist in addressing Australia’s immediate challenges in response to the global financial crisis as well as its long-term challenges over the next decade and beyond. The government will contribute a total of $26.3 billion to the funds this financial year. The funds will be established as special accounts in the Consolidated Revenue Fund, meaning that amounts credited to the funds represent amounts that have been appropriated and clearly committed for future expenditure for the creation and development of infrastructure.

In view of a strong commitment to shield Australians from the global financial crisis, the government will accelerate its nation-building agenda. The legislation allows for the interim advisory board arrangements that have now commenced. Allowing expenditure on critical infrastructure to commence from 2009 will contribute to economic activity in the short term and extend growth potential in the medium to long term. The nation-
building funds will utilise and build on the
government’s arrangements for the Future
Fund. The Future Fund Board of Guardians
will manage the investments of the funds.
There will be a high level of transparency
and accountability associated with payments
from the funds. For example, the legislation
establishes an evaluation framework that
provides for rigorous assessment of projects
by independent advisory bodies. Projects
will need to satisfy rigorous evaluation crite-
ria. These criteria will be tabled in the par-
lament as allowable legislative instruments.
There will be a common and rigorous ap-
proach in the evaluation criteria framework
across the three funds that is consistent with
the nation-building objectives of the funds.

In line with the government’s overarching
principles, projects financed from the funds
should address national infrastructure priori-
ties, demonstrate high benefits and effective
use of resources, efficiently address infra-
structure needs and demonstrate that they
achieve established standards in implementa-
tion and management. The government will
consider which of those projects will be
funded through the budget process and it will
include details of infrastructure payments in
the budget documentation. Parliamentary
transparency and scrutiny for payments from
the funds will also be provided by the gen-
eral drawing rights limit, which will be in-
cluded in the annual appropriations acts for
the financial years 2009-10 onwards. The
drawing rights limit restricts the total amount
that may be paid out in a financial year to
support relevant infrastructure expenditure.
This will give the parliament a mechanism
by which it may oversight the rate at which
amounts are being expended.

Portfolio ministers will be responsible and
accountable for payments and for delivery of
projects in line with their portfolio responsi-
bility. The legislation provides for these ar-
rangements and therefore clear policy ac-
countability for payments from the funds.
The funds demonstrate the government’s
commitment towards building the nation’s
capabilities, strengthening the economy and
providing critical investment in key areas of
nation-building infrastructure. I commend
the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General rec-
ommending appropriation announced.

Third Reading

Mr MARTIN FERGUSON (Batman—
Minister for Resources and Energy and Min-
ister for Tourism) (6.30 pm)—by leave—I
move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

NATION-BUILDING FUNDS
(CONSEQUENTIAL AMENDMENTS)
BILL 2008

Report from Main Committee

Bill returned from Main Committee for
further consideration; certified copy of the
bill presented.

Ordered that this bill be considered imme-
diately.

Second Reading

Debate resumed.

The DEPUTY SPEAKER (Ms S
Bird)—The question is that this bill be now
read a second time.

Question agreed to.

Bill read a second time.

Message from the Governor-General rec-
ommending appropriation announced.

Third Reading

Mr MARTIN FERGUSON (Batman—
Minister for Resources and Energy and Min-
ister for Tourism) (6.32 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COAG REFORM FUND BILL 2008 Report from Main Committee

Bill returned from Main Committee for further consideration; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Second Reading

Debate resumed.

The DEPUTY SPEAKER (Ms S Bird)—The question is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (6.34 pm)—I present a supplementary explanatory memorandum to the COAG Reform Fund Bill 2008. I move:

(1) Clause 7, page 4 (lines 12 to 15), omit subparagraphs (1)(b)(i) to (iv), substitute:

(i) subsection 92(2);
(ii) subsection 97(2);
(iii) subsection 102(2);
(iv) subsection 107(2);
(v) subsection 197(2);
(vi) subsection 265(2).

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (6.35 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

FAIR WORK BILL 2008 Second Reading

Debate resumed.

Ms MARINO (Forrest) (6.36 pm)—I rise to speak on the Fair Work Bill 2008. The coalition government put an extra two million Australians into employment. There are currently well over 10.6 million Australians in work—a record high. Over 7.6 million Australians are in full-time employment and three million are in part-time work. I am here to strongly represent the small businesses and workers in my electorate of Forrest. The Rudd Labor government will put 134,000 people out of work, according to their budget forecast. Now there are additional concerns that 200,000 people will be out of work by 2010. The best policy is one of job creation, not job losses and deficit.

My electorate in the south-west of Western Australia, through its commercial diversity, is a powerhouse in the state and national economies. The south-west needs a flexible workforce to drive productivity and growth. Many workers need and ask for flexibility. Many larger corporations have employment policies for very flexible workplaces, allowing their staff to work from home—for example, those returning to work after maternity leave—to job-share and, for some, to work two days per week. Such flexibility is a necessity.

Christopher Russell, the business editor of the Adelaide Advertiser, on 26 November reported that Peter Vaughan cautioned that:
… with uncertain economic times ahead, it is vital that this Bill does not adversely affect the ability of businesses to increase their productivity. A key reason for the ability of small and medium businesses to create jobs and provide real wages growth is the flexibility previous reforms have provided, especially with the number of developments and amount of regional growth.

Aspects of this Fair Work Bill have significant ramifications, particularly for building and mining sites, such as a return to the days of blackmail and intimidation from unions and closing down of sites, as exposed by the Cole royal commission. Under this bill, unions will be given easier access to workplaces and the right to inspect the records of non-union employees. This is an outrageous abuse of personal rights. The privacy of employment records cannot be assured even under the Privacy Act. Surely both the employer and non-union employee have a right to privacy.

It comes as no surprise that, where the bill deviates from election promises, it does so apparently to appease those to whom Labor owes its biggest election debt—the unions. Minister Gillard promised no compulsory arbitration. That is in the bill. The minister promised no pattern bargaining. That is in the bill. The government promised that rules for union rights of entry to workplaces would stay the same. But it is not the same in the bill. Unions will have access to non-union member records; have a privileged seat at the bargaining table; and be able to enter a vastly expanded number of workplaces, even workplaces where the employer and employees have previously agreed that they do not want or need union involvement. This legislation unlocks the doors of virtually all workplaces to unions. These are things that the Australian people did not know they were voting for, and in fact Australians were expressly and explicitly told the exact opposite—that these measures would not be a feature of the new system.

I also note that operational reasons will no longer be acceptable as reasons for dismissal. What about the recent gas explosion and crisis in Western Australia? South-west businesses were basically left with little or no gas to operate their businesses. As a result, work stopped. Employers tried very hard to hold onto their staff, not wanting to lose them, particularly in a time of labour and skills shortages. There were businesses that closed down and there were some that had no option but to let good staff go due to circumstances beyond their control. What will happen in similar future circumstances when a small business cannot sustain paying employees if there is no work and no income for the business?

Christopher Russell from the *Adelaide Advertiser* also reported that small business wants an industrial relations system which is simple, straightforward, cooperative and recognises the rights of employers. The Australian Chamber of Commerce and Industry chief executive, Peter Anderson, states: The new rights and compliance obligations will, over time, involve additional cost to employers, including non-unionised workplaces and smaller businesses. Peak industry associations and representative bodies believe that they will be actively engaged in the debate on this bill as it passes through the House, the Senate and its committees, and that Independent members will need to strongly represent and act on industry concerns and reserve the right to move amendments to improve the operation of the legislation. The coalition, however, will be vigilant in relation to its impact on the real economy, in particular on jobs. I ask: how, in practical terms for small business, will union accountability and transparency be monitored and enforced? Giving unions greater
power increases the chances of industrial disruption, shifting the focus of the business entity from productivity and job creation to managing disruptive union processes.

I am here to strongly represent the nearly 14,000 small businesses and workers in my electorate. The government’s changes to workplace relations come at a very challenging time for the Australian economy, when jobs and productivity are critical. In this environment, the government needs to encourage enterprise—encourage small, medium and large businesses to have a go and to have the confidence to invest and take risks, contributing to our macro economy by creating jobs and taking on new employees as well as training them.

Where is the incentive for a small business proprietor buying a new business and wanting to bring in their own personnel to take the business forward? Under this bill, the employment decision has been taken away from them because they must maintain the previous owners’ employees, removing the fundamental rights of small business owners to make their own commercial decisions. The nearly 14,000 small businesses in my electorate employ many thousands of workers, some of the four million employed by small business in Australia, with employers and employees working as a team; with employees valued and respected as a critical part of the business productivity, growth and success and often paid well above award rates for their loyalty and hard work.

A real test of the potential of this legislation is the fact that these same businesses do not want to be named in this speech, and I do not want to name them for fear of union targeting. I will quote from one of the companies in my electorate, a major employer who has been briefed by the local chamber of commerce and industry that outlined the key provisions of this bill. The company said: ‘In particular, under the key changes in the bill, employers will be forced into collective bargaining. An employee may apply to the new umpire, Fair Work Australia, for an order requiring the employer to bargain. There is little likelihood of a non-union agreement as the employer must notify each employee of their representational rights. In the absence of any response from the employee, a union which has representational rights will be the bargaining representative of the employee. Unions will be able to put a far more extensive set of issues, including union related issues, on the bargaining table, and this has the potential to extend the right to strike over issues not related to direct employment conditions.’ The company believes that this proposed legislation is, in its words, ‘repugnant’ not only to free enterprise but also to personal liberty.

As for the provision that allows unions the right to inspect records of employees who are not union members, the company commented: ‘Certainly, everyone has a right to join any legal organisation they choose. But it is ethically wrong to have a person’s confidential employment information forcibly revealed to an organisation of which they are not a member.’ Its existing individual contracts with its staff serve everyone very well. Staff have even asked if they will be able to keep their individual agreements. Its workers do not want those changes.

The company will not be alone in urging for the removal of the onerous provisions in the bill before it finds its conversations with employees shadowed by some uninvited union functionary. Its comments end by pointing out that ‘the last thing our economy needs is an extra layer of meddlers’. Those were its words.

This bill will do nothing for small business confidence, which is already at an all-time low under the Rudd-Swan Labor gov-
ernment. Growth indicators including sales, profits, employment and investment all fell during the last quarter, an issue that has to be managed by Australia’s 2.4 million small businesses. Strikes and industrial disputes dominated the landscape in the 19th and 20th centuries. There was an urgent need to make the 100-year-old industrial relations laws relevant to current productivity needs. The Cole royal commission exposed the widespread disregard of obligations concerning the unions’ power to enter work premises and inspect employment records. Increased union activity on building sites will go back to the days of manipulation, harassment and control.

In these current global economic times, Australia cannot afford to return to the days of, for example, Kevin Reynolds getting away with his overpowering tactics, which again was exposed by the Cole royal commission. As one worker said:

Any time we tried to carry out work, they—the union—would stand in our way, hinder us, heckle us, made it very uncomfortable for the workers when abuse gets out of control. They were basically preventing contractors from carrying out their contractual obligations.

Australia has evolved since that time. Australia has moved on and there should be no possibility of a return to a situation where intimidation and violence could once again dominate our building and construction landscape. Where are the safeguards? Can we expect more delays because of union involvement in every aspect of our commercial activity?

I will give another example of a business in my electorate. They filed for a labour agreement with the Department of Immigration and Citizenship because they wanted to invest approximately $2 million to expand the business and needed more staff to help them expand. They did all the right things. The operation is not a unionised site, but they consulted the unions from the outset to ensure they did everything right. The union gave its approval and the application was filed with the immigration department. It took seven long months and many follow-up calls and letters to establish where the application was and why it was taking so long. The delay nearly prevented the business from meeting their expanded contractual obligations under their tender. The delay was with the Rudd Labor government, which gave a blanket instruction that the unions needed to be involved and provide input to the business operations before any approval was given. So this is what lies ahead.

A recent OECD report said it is important for the ongoing reform of Australia’s workplace system to preserve flexibility in the job market. Western Australia is a progressive ‘can-do’ state, one that is specifically reliant on a flexible workforce to maintain growth and development. The Western Australian Chamber of Commerce and Industry has noted very serious concerns in relation to this bill that the proposed changes will disadvantage many small, medium and large businesses. Marcia Kuhne, the work relations policy officer, notes on the chamber’s website under the headline ‘Union power to grow under new federal industrial relations changes’:

WA’s economy has benefited from a flexible industrial relations system, giving employers and employees the choice to collectively bargain or negotiate individual agreements.

WA business and industry, which are a key driver of the State’s and the Nation’s economic growth, must be helped, not handicapped, to grow and create more jobs. Our world class export industries must also be supported to compete internationally.

The chamber is extremely concerned that unions will be handed greater influence over
agreement making and workplace issues and that the likelihood of disruptive and costly industrial action will increase with the range of workplace issues open to negotiation extended.

Unions, which represent 16 per cent of the Western Australian workforce, will also be invited to the negotiating table even if only one worker is a member. They will also be given greater access to work sites and the employment records of workers. The Western Australian Chamber of Commerce understands the situation very explicitly. In its words:

The need for a modern and flexible industrial relations system has never been greater as the global community looks to business and industry to drive economic growth, create more jobs and help insulate the local economy from the current global economic uncertainty.

The Australian Industry Group’s chief executive, Heather Ridout, stated on 2 May 2007:

There are serious questions about the viability of the ALP’s Fair Work Australia proposal.

While the current level of industrial action is very low it was only a few years ago that construction and manufacturing unions were wreaking havoc on industry with pattern bargaining campaigns and industry-wide industrial action. The AIRC stepped in and used its powers to the fullest extent to protect the national interest and to stop unnecessary losses of income by employers and employees. If industrial action breaks out under a new workplace relations system, a strong tribunal is needed. The AIRC has proved that it can deliver, but will Fair Work Australia have the teeth and the will?

Greenfields agreements provisions that force employers to secure approval for a greenfields agreement from all unions that are eligible to represent members of a potential workforce will be a minefield for industry. Corporate lawyers are warning their clients of the difficulties they will experience when having to deal with every different union and with having a member in their particular project and potential workforce.

The Australian Mines and Metals Association chief executive, Steve Knott, was reported in the Financial Review of 28 November 2008 as saying:

…the provisions would open the door for union turf wars and allow unions to “hold employers to ransom. This will be a nightmare for major resource-sector construction projects that often require pre-start agreements to be registered with known terms and conditions before final investment decisions are approved”.

This provision in the bill has extremely serious ramifications for growth and development in Western Australia. The test of this bill, like every bill, is what it does for jobs and productivity.

Mr MARLES (Corio) (6.51 pm)—It is with considerable delight that I rise to speak in support of the Fair Work Bill 2008. The Fair Work Bill 2008, combined with the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, which was introduced on the very first day of this parliament and which is now an act of this parliament, represents the culmination of a process that began with a commitment by the Labor Party in the lead-up to last year’s election. That commitment began with the Forward with Fairness document. That document, combined with a number of other statements, meant that there has never been a more comprehensive industrial platform put before the Australian people as was put before them in the 2007 election. Given the result that occurred on 24 November last year we can rightly claim on this side of this House to have a mandate for fulfilling the commitment that we made in the lead-up to the election. We fulfilled that mandate on the very first day of this parliament; we are fulfilling that mandate with the Fair Work Bill 2008.
That is not just a view of the Rudd government. It is, as we now know—at least, we think we know—a view of the opposition. On 25 November—last week—the Leader of the Opposition said:

The coalition accepts that the Rudd government has a mandate for workplace relations change as proposed in their election policy last year. The coalition accepts Work Choices is dead. The Australian people have spoken.

Never was a truer word said about the state of affairs when it comes to industrial relations. We have a mandate for doing what we do on this day.

There was extensive consultation leading up to the first bill, which was put before this parliament on the very first day. There was consultation with employer groups, unions and legal practitioners in the field. Since the first piece of legislation was put through this parliament, there has been further extensive consultation with employer associations, many unions and legal practitioners in the field, often through committees looking at industrial legislation. It is a difficult process to put industrial legislation through this parliament given the number of groups out there which quite legitimately feel that they ought to have a say in and influence over the way in which we regulate our workplaces in this country. It is a very significant achievement to have reached this day and to be debating this bill.

How that stands in contrast to the process which led to the Work Choices bill under the Howard government. By any measure, it was the signature piece of legislation of the final term of the Howard government. By any measure, it was the signature piece of legislation of the final term of the Howard government. Most commentators would agree that it was the piece of legislation which meant that it was the final term of the Howard government. And yet, despite it being the signature piece of legislation for that term in government, not a word of it was breathed in the election of 2004 which gave rise to that term of government. It was a bill that was in effect rammed through this House in a month—almost in the dead of night. Despite there being 4,500 submissions, the Senate inquiry into the Work Choices bill lasted but one week. What we can absolutely say about the Work Choices legislation was that there was no mandate for it. Because of that, the Howard government is no more.

I congratulate the Deputy Prime Minister on the process which has led to this day. It is a great achievement. The difference in the process which has led to the Fair Work Bill compared to the process which led to the Work Choices bill says everything about the difference between the Howard government on the one hand and the Rudd government on the other.

This bill will restore fairness to the system. This bill will restore balance to the relationship between employers and employees. It will do that by putting in place a robust safety net. Through the national employment standards there will be 10 conditions. In addition to that, modern awards will provide another 10 conditions, including wages. Those 20 conditions will form a robust safety net. An agreements bargain on top of that will need to be better than those conditions over all and will not be able to remove the conditions set out in the National Employment Standards.

Importantly, there will be an annual wage adjustment. Also importantly, for the first time we are going to see awards adjusted every four years so that awards are kept up to date. Common-law agreements—common-law individual contracts—will be able to still be made and will be and always have been an important part of an industrial relations system. They will be made against the context of a safety net made up of the National Employment Standards and awards.
What we are putting through with the Fair Work Bill is an enterprise bargaining system. With the legislation that went through parliament at the beginning of this year, we absolutely rejected the Howard government legislated system of individual contracts called Australian workplace agreements. This is a bill which is based on collective bargaining at the enterprise level. For the first time, we will have a meaningful collective bargaining right, where if the majority of a workplace want to have collective bargaining then collective bargaining will occur. That will occur in good faith; good faith bargaining will form a part of the process which will lead to agreement, if indeed an agreement can be reached.

This is a critically important point. We have had in this country a system of collective bargaining since 1993 absent a collective bargaining right. In that, we have been the odd one out in modern developed economies around the world. In this bill, we fix that. There will be access to arbitration if the good faith bargaining provisions are flouted by any party—union, employee or employer. There will also be access to arbitration in circumstances in which there has been damage to the parties in the negotiation process.

Importantly, the bill provides for a low-paid bargaining stream, which will streamline the ability to have multi-employer agreements and, if needs be, first-contract arbitration. The bill provides for a far better right to unfair dismissal redress. The vast majority of employees will have access to that right. The bill will provide for freedom of association: freedom to be a part of a union or not to be a part of a union. Unlike the hollow provision in the Work Choices legislation, there is not just a right to be a member of a union; there is also a right to be represented by a union. That is a significant change from the Work Choices past. There will be a proper right of entry so that representatives of participants in the industrial relations system can enter workplaces and have meetings with the people who they represent.

Fair Work Australia will be a strong, independent umpire and a streamlined umpire, streamlining what are currently seven different agencies into one. The constitutional basis of the act is clarified so that now the act is entirely based on the corporations power, as opposed to previous incarnations of industrial legislation in this country which have in part at least been based on the conciliation and arbitration power. So, for those who have been practitioners in the system, there are no more logs of claims, no more funny ambitions. We actually have a proper system and a streamlined system, and that in itself represents significant micro-economic reform.

This is a very important piece of legislation indeed. After the Work Choices era, it is right to describe this as great labour legislation, but it is great labour legislation because Labor legislation is fair legislation. It is industrial legislation which is consistent with the Australian ethic. It is industrial legislation which is consistent with international standards. There have over the years been a number of debates in the field of industrial relations, but the election last year, combined with this legislation and in a sense combined with the statement of the Leader of the Opposition, clarifies a number of those debates which have dogged industrial relations for most of the time since Federation—although we have to qualify that to some extent.

Having heard the pronouncements of the Leader of the Opposition, we hear different things from people on the other side. They still seem to be resistant to giving up the idea that they are the party of Work Choices, but it is clear, in the context of what the Australian people have said, that, to the extent that
they hang on to those old notions, they are but a rump. They are a rump in this debate. What is clear is that we need a stable system of industrial legislation in this country. Industrial legislation in Australia has been the most amended piece of legislation in this parliament, with the exception of the tax act, since Federation, and that benefits absolutely nobody. But what we have now is the fair basis on which we ought to be able to achieve a national consensus around industrial relations.

One of those key debates has been a debate about the pre-eminence of individual bargaining versus the pre-eminence of collective bargaining. Those on the other side in relation to Work Choices stood for a proposition that individual bargaining ought to be the pre-eminent means by which we regulate our workplaces, whereas we on this side have said that, not exclusively but mainly, the basis on which we ought to regulate employment in our workplaces is through collective bargaining. There is nothing fair about a legislated scheme of individual contracts which seeks to undermine collective standards. There is nothing fair about a single employee earning $50,000 a year going one on one with their employer, a legal entity which may have revenue of $10 billion a year. There is nothing fair about that, particularly when it is their employer which has the right to hire and fire, particularly when it is their employer which has the right to pay wages and particularly when it is their employer who tells the employee what to do. Collective bargaining installs fairness into that situation.

That idea of fairness actually exists in other parts of our law. You can find it in the Trade Practices Act. Indeed, there is even a doctrine of unequal bargaining power which can be found in the common law. Not every Australian workplace agreement that was entered into was unfair, but a system of AWAs which sought to undermine collective bargaining standards was ultimately exploitative. We can say now that that debate is over. This is a country which stands for collective bargaining as being the principal means by which employers and employees regulate their terms and conditions of employment.

There is a debate between labour productivity and wage cutting—whether we seek to promote our economy through improving our labour productivity or whether we seek to do it, as the other side have sought to do it, by putting in place a system which cuts wages. That is an experiment which completely failed. What we saw with labour productivity under the Howard years was that it fell through the floor. Whereas the rate of growth in labour productivity towards the end of the 1990s was running at about four per cent, by 2005-06—immediately pre-Work Choices—it was down to 2.5 per cent and in the one year of Work Choices it went down to 0.9 per cent.

We saw a piece of legislation which absolutely cut wages and conditions. In that brief period where we had a window into what was going on with Australian workplace agreements, we saw 50 per cent of them provide for the removal of public holiday pay, we saw 65 per cent of them provide for the removal of penalty rates and we saw 70 per cent of them provide for the removal of shift work loadings. Whereas we on this side of the House envisage an economy which is based on high labour productivity generating high profits and generating the kinds of high-wage jobs that we would want to see in this economy, what we saw from those on that side of the House was a government under John Howard trying to promote cost-cutting—a cut-price economy, a low-wage economy, an economy where all you saw was the sweating out of meagre profits from the workplace. That debate too is now over.
Work Choices is dead. The people have spoken.

The ultimate debate that can be seen in this legislation is a debate about whether you believe in cooperation in the workplace or conflict, and we stand for a system of industrial relations which promotes cooperation. What we saw from those on the other side was a system of workplace relations which promoted conflict. That could be seen in a whole range of other legislation and activities that were undertaken by the Howard government, compared to what we are now seeing under the Rudd government. Not only do we stand for cooperation at work, whereas they stood for conflict at work, we also stand for reconciliation with our Indigenous population, whereas the Howard government stood for a failure to recognise the past wrongs and a wilful blindness which allowed that sore to continue to divide our country. Whereas we have seen that we ought to treat those who flee to our shores with dignity, those opposite saw that we ought to treat those people with the very worst example of how mean the human spirit can be. Where we see that the way forward is to cooperate with state governments, they saw that the way forward was to roll over the top of state governments. They were in every way a government that was about dividing our country. This bill speaks to the intent of the Rudd government to commit to a unified Australia, and for that reason I commend it to the House.

Mr TUCKEY (O’Connor) (7.07 pm)—The member for Calwell has run out most of the arguments—

Mr Byrne—He is the member for Corio.

Mr TUCKEY—He is Corio? Well, I do not think he is sitting in the right seat. I may be wrong about that. I had to look at the map as he is otherwise so undetectable in this place. I apologise for that if he is Corio. I used to like the fellow he rolled in the preselection, but there you go. The whole fact of life is that in his speech he mentioned inaccuracies like the fact that the Work Choices regime cut wages when in fact it increased real wages—that is, the purchasing power of a worker—by 22 per cent as compared to the zero per cent that was delivered by him and his union colleagues throughout the Hawke years and the accord. Of course, there are other matters to which I wish to attend.

It may be of no surprise to you that, back in 1981, I made my maiden speech and it was about industrial relations. Whereas many members come to this place to thank the people who supported them—they thank Granny and Mum and everyone else—I cut to the chase and my limited audience happened to include Bob Hawke. I had a little bit of a problem because I made ACTU an acronym and he was a bit confused every time I said the word ‘ACTU’. But we will not worry about that. I reread the speech today because I was looking for a quote that I think epitomises my view about this legislation.

Mr Cheeseman—Are you going to read it?

Mr TUCKEY—I thank you for your interjection. You replaced Stewart McArthur, and one day when you make a speech in this place you will lift your head up so someone can see your face. I do not know who writes your speeches, mate, but you do not write them for yourself. You are about as dull as you could find. So, if you give me another chance, I will give you another expose on yourself. Stewart McArthur was a great individual in this place and could stand up and make a speech without notes—let alone the fact that he did not read it like this. You are dull—
The DEPUTY SPEAKER (Ms S Bird)—Order! The member will come back to the topic.

Mr TUCKEY—Yes, you might remind people that interjections, of course, are most unparliamentary. What I want to make—

The DEPUTY SPEAKER—Order! I point out to the speaker that I called for order, so I expect order in the House.

Mr TUCKEY—Thank you very much; I agree with you entirely. I want to draw attention to the words I quoted at the time in that speech. I am endorsing this other person. These were the words of a noted left-wing British academic some years prior to my speech in 1981. He wrote a paper entitled ‘Trade unionism is killing socialism—the English experience’, and he said:

Above all, the economic organisation of society, the way in which wealth is invested, and rewards distributed, to all of us who are its members, should have become the function of democratic governments.

I will carry on with his remarks. This is a bill that could have been just that if it had stopped before it started to give privilege, above all else, to a private enterprise organisation known as the trade union movement. He went on to say:

But this is not what has happened. The unions have refused to recognise the limits of their historical role. They have not only rejected the idea of a progressive abdication, and the shift of their social and economic function to the political process—

that is, this place—

but they have flatly declined to allow the smallest diminution of their power to press the sectional interests they represent.

Indeed they have steadily, ruthlessly and indiscriminately sought to increase that power. In recent years, and in particular in the last five years—

all that time ago—

they have exhausted or beaten down any opposition and have finally succeeded in making themselves the arbiters of the British economy. This has not come about as part of some deeply laid and carefully considered plan. It is not part of a plan at all.

It has been, essentially, a series of accidents. Huge unions each pursuing wage claims at any cost, having successfully smashed other elements in the state governments, political parties, private industry, nationalised boards—now find themselves amid the wreckage of a deserted battlefield. The undoubted victors.

They did not plan the victory—they do not know what to do with it now they have got it. Dazed and bewildered they are like medieval peasants who have burnt down the lord’s manor.

He stated further:

What next? They have no idea as they did not think ahead to this sort of situation, and indeed are not equipped by function or experience to embark on positive and constructive thinking.

A name like Mighell comes to mind. He continued:

That is not their job! Here we come to the heart of the matter. The trade union is a product of 19th century capitalism.

Let me remind you that the 19th century means the 1800s. He went on:

It is part of that system. Against powerful, highly organised and ruthless capitalist forces, it had an essential even noble part to play. But when those forces are disarmed, when they are in headlong retreat—indeed howling for mercy—the union has no function to perform.

They are not my words; they are the words of someone who had a fundamental view, as a socialist, that the role of industrial relations was a responsibility for government—and government does not need any helpers. This legislation retains the industrial ombudsman. So why in the heck have we got to have someone, self-appointed to the job, to go and demand people to pay his wages so he can interrupt their daily activities at work? Why
should they have special privileges over anyone else?

Now we have had all the spin that workers can appoint any bargaining agent they like and I hope some might take that choice. I would be more comfortable if the legislation said that there had to be a 75 per cent positive vote amongst the total workforce for the purpose of appointing that agent. But that has been left out and the default mechanism appoints a trade union heavy. How is he going to build his membership? Remember that while there has been the legislation in place workers have discovered (a) confidence in themselves and of course (b) a belief that the money they paid to the trade union was not getting them very much at all. There is a heap of evidence of that.

So why does this legislation, the Fair Work Bill 2008, give standing to this special interest group, a trade union? They are nobody. They are not special. Why not give BHP or someone else standing within this legislation? Nobody else gets standing—why them? Who are they? They are a mob of people that get around, get themselves a job—and with a bit of hope they get here next—but the fact of life is that that is what is wrong with this legislation. I understand that people thought the previous rules were slanted too much towards the employer—that is, the poor devil who goes and mortgages his home to create some jobs. Of course, there will never be a law that requires people to make jobs. Since this legislation was on the drawing board they have been bailing out in their hundreds, including Boeing. Fisher and Paykel have gone to Thailand; they left Australia, taking 400 jobs. They just got out before their troubles started again.

Why do we have legislation in this House that gives special standing under the law to a group of people who claim to look after workers' interests? I had nearly as long a period as an employer as I have had as a member of this House. I made my first speech on industrial relations because I was so browned off having to watch the great advances of the Pilbara, prior to my employment here, being destroyed and watching the Japanese going to Brazil. There was no financial value in the Japanese going to Brazil, considering the freight on a lowly valued product called iron ore—it is only a heap of rocks. They went there because they could not get delivery out of Western Australia. I will not go further down that track because there are other things that I want to say.

I want to go back to this legislation, which says that right of access is to be reinstated and which gives access to people's private wage details. I am astounded to hear unions say, 'We're going to catch up on the bloke who gets more than his mate.' Is that Australian? That is what they said. They have discovered market wages when it comes to a 457 visa. If you have market wages, why do you need a union to look after you? The market will decide—up or down. What I am saying is that the unions are entitled by this legislation—and I will fight that—to walk into a workplace, maybe with the one planted member out of a thousand, and view the records of other workers. Maybe they will or maybe they will not have the address of the person associated with those wage records. If they come off cards that is what they will have. Even if they do not have the address, as politicians today we all know how easy it is to find out where someone lives. Is it now possible that a woman will answer a knock on the door at 10 o'clock in the morning or at three o'clock in the afternoon to find two men standing outside to tell her that they know where her kids go to school and it is time hubby joined the union.

I read in the paper the other day that they do not do it that way any more. Ask Peter
Baldwin about that. Ask Senator Cameron about that, when he got beaten up in much more recent times. He had to shift house. Who knows about that? Tell me that things have changed amongst those people who dominate in this sector. They beat up their own, why wouldn’t they beat up some recalcitrant poor devil who thinks buying shoes for his kids is more important than paying union fees and who trusts his boss because his boss and he have a drink every Friday night and a bit of a yarn and at any time he can tell his boss what he thinks about the pay or anything else?

I do not mind; you can rewrite the law. You can simplify the law and you can make it better for working people provided it achieves that outcome. But what you cannot do is to put this other mob in. It is interesting that having read what has been said by a British left-wing academic I also mentioned in my speech what has been said by the member—I was going to call him the member for Calwell again—

Mr Byrne—For Corio.

Mr TUCKEY—It is a worry when you cannot recognise people. He started to talk about the new Fair Work Australia organisation, which is going to attract all the industrial commission operators, mostly trade union people, or certainly industrial relations people. Do not ever think that those who are on the workers’ side have been very different in all this—it was a living. But the fact of life is that they are going to fill the positions of this new fairly balanced wonderful facility that is going to decide or arbitrate on certain issues.

It is interesting that the 1904 legislation made a very simple statement about what the old industrial relations commission should base its decisions on. I do not have the specific quote to hand but the statement talked about the basic justice of the system. And the fact of life is that in the 1978 decision Justice Moore said:

We agree that if the industrial effects of doing so—

that is, coming to his decision—
could be ignored, no increase at all in award wages would result in a greater restraint in costs and price.

In other words, the worker would be better off. That is the history. My father earned a £6 a week, raised four kids and owned his own house and a car, and my mother never had paid work. Today, he would earn $1,500 a week and if his wife did not work he could not afford a house. That is progress, apparently. Justice Moore went on to say:

However, we don’t believe that industrial considerations—
the effect of strikes—
and their attendant cost implications can be ignored.

In other words, the umpire said, ‘We succumb to the bullies.’ That is what they said in 1978, just 30 years ago almost to the day. We are told that we are going to have this new organisation that will not take those matters to account when it should not. And people should not think that when we open the door to the trade unions getting a bite of a greenfields agreement there are not going to be demarcation disputes. When somebody wants to open up a great job-fulfilling opportunity for the workers of Australia, in more difficult times than we are currently experiencing, the poor old developer has to jump all the green and other hurdles and then, when he is ready to start, he somehow has to work his way through five or six unions wanting the revenue, because that is what they want.

If you want to get someone to go and work in the Pilbara and in many of these other places that are substantial and that I know well, you do not get them by not offer-
You want to be a politician in that part of the world and try to hire people on the wages this parliament pays! They do not make themselves available. I can go back a long way to when I had a trucking business. If I said to a truckie coming in looking to run line haul, ‘I’ll pay award wages,’ he would turn on his bare foot and go out the door. He wanted trip money; he wanted to be paid to go there and back. Of course, this is now held up as Work Choices and the ‘horrible decisions’ thereafter.

I am running out of time but I want to make one other point which I made in my speech in 1981. I heard the previous speaker talk about Work Choices cutting out penalty rates. Typically, when those AWAs were put together they amalgamated all of those rates into a single hourly rate. They did not cheat on people. But what about the people who do not want to work nine to five, Monday to Friday? What about the women at home who are looking around the house and wanting some new appliances and, as I know, go to the employer and say, ‘Could you just put me on on Saturdays while hubby is at home looking after the kids so I can get a bit of extra money?’ The employer says: ‘I lock the gate on Friday night, mate. Nobody can come into my establishment over the weekend. I cannot afford to pay the penalty rates.’ And the employee says, ‘No, don’t worry about that, I just want ordinary time.’ But, of course, the employer would be breaking the law to do so. What about those people?

Another thing I said is that you would think the fish did not bite on Wednesdays. Why does recreation have to be focused on two days a week? It is silly. Why can’t professional sport be played in the middle of the week and get a crowd, other than people taking the day off, taking a sickie? So these are silly arguments. Yes, of course, if you have worked your time you should get a penalty for overtime. And of course you can hold a view, religious or otherwise—and you can take a pick of three now: Islam, Seventh Day Adventist and Christian—about three days out of seven. They are silly ideas, they should not be reincorporated and they should never ever have been the reason for this legislation. Good legislation looking after working people is right. (Time expired)

Mr ZAPPIA (Makin) (7.27 pm)—Tuesday, 25 November 2008 was a defining day for Australia. On that day we saw the culmination of one of the most intense political battles that I can recall. For many, it was a battle for political survival. We saw intense activity by the Australian people, by industry sectors, by political parties and by the union movement. Tuesday, 25 November 2008 was a day on which working people across Australia had their dignity restored, their worth restored and their natural rights restored to them. It was the day the Rudd government delivered on another key election promise and introduced legislation that returned fairness and justice to Australia’s industrial relations system.

The Rudd government’s fair work laws are not simply about workplace rights. They are inherently about civil rights and about human rights—rights that Australians hold dearly; rights that, over the years, 102,000 Australians have lost their lives to defend, including one very recently; rights that are enshrined in the pledge of allegiance that is sworn by new Australian citizens. Let me quote parts of that pledge:

I pledge my loyalty to Australia and its people whose democratic beliefs I share … whose rights and liberties I respect.

Members opposite come into this place with their hands on their hearts, pronouncing the virtues of those very rights. Sadly, their words are not matched by their actions. I can think of no more glaring example of the shallowness of the opposition members’ com-
mitment to those values than their Work Choices legislation. It was legislation which exposed the coalition for what it really stands for—as a party which puts economic growth and economic efficiency ahead of human rights and as a party which believes in and wants to maintain social division and class supremacy. The coalition members’ extreme Work Choices legislation, which the Rudd government’s new Fair Work Bill 2008 replaces, was socially divisive and socially unjust.

To those coalition members opposite who were in this parliament and in government, many of them as senior ministers, when their Work Choice legislation was rammed through the parliament, and to the member for Mayo, who had a personal hand in that legislation, I ask this: where was the justice in refusing to allow workers the right to have someone with experience negotiate working conditions on their behalf? Where was the justice when employers used skilled human resource managers to negotiate working conditions with workers who had no such skills? Where was the justice in having people who often had no education and sometimes no English language skills negotiate employment conditions with skilled human resource managers? And where was the justice in negotiating work conditions with working people who had mortgages to pay, families to feed and clothe, and no certainty of being employed if they refused to accept the employer’s employment conditions?

For working Australians there was no justice, no fairness and no choice. But the Australian people did have one choice. That was the choice to condemn the coalition members to the opposition benches of parliament, and the then reigning Prime Minister into political oblivion. And that is what they did on 24 November 2007, just as Australian voters had done with Prime Minister Stanley Bruce in 1929 when he too sought to treat working Australian workers with similar contempt, and destroy the conciliation and arbitration system and introduce the anti-union legislation, the Maritime Industries Bill.

Let me now turn to the question of human rights. Article 23 of the Universal Declaration of Human Rights states:

Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

Everyone, without any discrimination, has the right to equal pay for equal work.

Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

The coalition’s extreme Work Choice legislation breached all of those fundamental human rights and so did the coalition members who enacted that legislation. How can you guarantee equal pay for equal work when you have workers in the same workplace doing the same work on different workplace agreements? You simply cannot. What you do end up with is workers pitted against each other and an unproductive workplace.

But we should not be surprised that the coalition’s Work Choice laws were so extreme. Their track record on human rights was abysmal and history will portray it as such. We saw it with their anti-terrorist legislation. We saw it with the way they treated asylum seekers, and we saw it with the extreme powers they gave the Australian Building and Construction Commission. The coalition’s Work Choice laws were also clearly aimed at destroying the union movement in Australia. Again it was clearly in breach of Article 23 which also states:

Everyone has the right to form and join trade unions for the protection of his or her interests.

How could unions protect workers’ interests if they were barred from workplaces? Again,
the coalition misjudged this issue badly, and the obsession and paranoia with unions has been very evident from coalition members' contributions on this bill so far.

No government will ever destroy the will of the people. They may suppress it for a time but in the end the will of the people will prevail. From my experience most employers are fair and reasonable people. Most employers do not take advantage of their employees. Most employers are real people with children of their own. As employers, they understood how it could easily be their own children who would be exploited under the coalition's Work Choice laws. Not surprisingly, during the 2007 election campaign, I came across many employers who told me that they were opposed to the coalition's Work Choice laws.

A wolf will shed its fur but not its habits. Coalition members opposite may pronounce Work Choices dead, as many of them have. In name I am sure that Work Choices is dead. But coalition members' conviction that working people should simply be grateful to their employer for giving them a job is alive and well, and it is that conviction which will drive their IR policies if ever they return to government. What we will then see is the same policies rebadged under a different name. We heard from speaker after speaker about their true beliefs when it comes to industrial relations laws.

Other members on this side of the House have spoken at length about the detail of the government's Fair Work Bill and I do not intend to repeat what has been said many times over. I will summarise the bill though with these few remarks. The government's Fair Work Bill is fair in name and fair in content—fair to both employers and to employees. It ensures decent work conditions reflective of a modern civil society. It provides for an independent umpire to arbitrate where agreement cannot be reached. It protects workers from unfair dismissal. It allows collective bargaining and union representation. It delivers on what millions of Australians voted for and what they expect.

And not surprisingly, this bill has broadly been welcomed by Australians across all sectors, not just by the union members, not just by the unions, but also by most of the industry sectors out there. It has been welcomed because they all accept and understand fairness in society and they also understand that this bill reflects fairness. It was put together after extensive consultation with unions, with working people, with members of parliament and with all of the industry sectors. And not surprisingly, it reflects a balanced outcome of all views that have been put by all of those sectors. That is exactly why this bill has received the very strong support that it has since it has been released. I commend this bill to the House and I feel proud to be a member of the Rudd government which delivered it.

Mr SCHULTZ (Hume) (7.37 pm)—I rise to speak on the Fair Work Bill 2008. Whilst I accept that the Australian people have spoken and the Rudd Labor government has been given a mandate for workplace relations change as proposed in their election policy last year, the government's changes to workplace relations come at a very difficult time for Australian business and the Australian economy. We are being asked to take the government on trust that these changes have been carefully considered and will not cost jobs or, indeed, cause the closure of businesses already struggling with the increased pressures imposed on them in the current economic downturn.

Although I acknowledge that industry stakeholders support key elements of the bill, I question whether due consideration has been given to changes proposed by this bill
as they relate to small businesses. The electorate of Hume is defined by the Australian Electoral Commission as a rural electorate and consists of three main areas: the southwest, including the towns of Yass, Young, Boorowa and Harden-Murrumburrah; the Southern Tablelands, including the towns of Goulburn, Taralga, Crookwell, Tarago and Marulan; and the Southern Highlands, including the towns of Mittagong, Moss Vale, Bowral and Bundanoon. By definition, the rural electorate of Hume survives literally on the activities of small businesses. Whether those small businesses be in farming, manufacturing, retail or service industries, they are in the majority owned by local families who employ local people and, more often than not, are staffed by 20 employees or less.

The Fair Work Bill 2008 has the potential to have a direct and disadvantageous effect on small businesses in the electorate of Hume. Quite a number of small business owners have told me they are worried about the effect that more regulation will have on their business. Most businesses not only in Hume but in other rural based electorates throughout the country are still struggling with the effects that the worst drought in 100 years has dealt them. Now, together with the effects of the world financial crisis, which I believe has not yet fully hit our country, they have to deal with the introduction of this Fair Work Bill.

Research conducted and published by Minter Ellison on 26 November 2008 in their HRIR update has revealed that there are a number of areas in the proposed bill that will have a direct and detrimental effect on small business. I have concerns about those areas. In the area of unfair dismissals, the new system will remove the 100 employee exemption introduced under Work Choices and, instead, introduce new qualifying periods that have to be met before an unfair dismissal claim can be made—12 months for employees of businesses with fewer than 15 employees and six months for employees of businesses with 15 or more employees. Casual employees will no longer be excluded but will have to meet the same qualifying periods as permanent employees provided that they have been employed on a regular and systemic basis for the requisite period and that they had a reasonable expectation of continuing employment by the employer. Minter Ellison describes other areas of concern:

Unfair dismissals
Employees who are made redundant will be able to bring an unfair dismissal claim if they could have been redeployed—either within the employer or an associated entity. A redundant employee can also bring an unfair dismissal claim if the employer did not comply with consultation requirements in an industrial instrument. This provides significant scope for an employee to challenge their redundancy. Finally, the hearing process will be very different (with a hearing being able to be held during or after a conciliation conference and only on key issues) and lawyers can only appear with FWA’s (Fair Work Australia’s) permission. Appeal rights are limited (from July 1, 2009).

Transmission of business (or transfer of business as it will now be known)
In a transfer of business, transferring employees will be covered by the old employer’s industrial instruments indefinitely (not limited to a 12 month transmission period). New employees in the business transferred may also be covered in particular circumstances. But most importantly, a transfer of business includes an outsourcing, restructure or other transaction involving use of assets (probably from 1 January 2010—but possibly 1 July 2009).

Refusal to bargain with a union and requirement to negotiate agreement
An employer who is negotiating an enterprise agreement cannot refuse to bargain with a union with one or more members. Furthermore, an employer who does not want an enterprise agreement at all can be compelled to negotiate (but not
Compulsory bargaining and arbitration for the low paid

Regulated, multi-employer based bargaining for the ‘low paid’—which appears to largely mean employees employed on, or close to, the award and national employment standards (but could potentially extend well beyond this). Most importantly, this could lead to arbitrated resolution by the FWA of the union’s outstanding claims—which is a fundamentally different type of arbitration than a safety net arbitration in accordance with minimum wage fixation principles. This could easily turn into massive, industry based bargaining and arbitration. Industries particularly affected are likely to include cleaning, retail, hospitality and child care (from 1 July 2009).

Injunctions to enforce awards and enterprise agreements

A union or employee will be able to obtain an injunction preventing an employer breaching an award or enterprise agreement. This could be very, very significant. Examples could include a union obtaining an injunction preventing a restructure if consultation provisions or redundancy procedures in an agreement were not followed; an employee obtaining an injunction preventing their dismissal if a disciplinary procedure in an agreement was breached; or a union enforcing a status quo provision in a dispute resolution procedure. Importantly, the Federal Magistrates Court will be able to issue such injunctions—not just the Federal Court (probably from 1 January 2010, but possibly 1 July 2009).

The provision that is of most concern to me is:

Increased right of entry powers

A union’s right of entry is now linked to either union membership (so they can enter to investigate a breach if they have a member who works on the premises) or union coverage (in the case of entry for discussions)—rather than the union being party to an applicable industrial instrument.

So a union can enter a workplace even if the staff are employed on AWAs or under a workplace agreement with another union and:

Unions can also require production within 14 days of any documents ‘relevant’ to a breach of the legislation or industrial instrument.

Such documents can include wages records and not just records relating to union members.

I find it totally reprehensible that after the introduction of this bill a union will have the right to enter a workplace and demand, among other things, the production of records pertaining to the wages of non-union members, even in workplaces where the employer and employees have previously agreed that they do not want unions. What right does a union have to demand to see the records of a small business that, more often than not, is a family business that has taken the risk of investing the family’s own capital and physical energy into their business, only to have someone come in and say that because of their hard work—and, I might add, a lot of the time it is unpaid hard work by the owners of the business—the union has the right to try and bargain for a better deal for the workers regardless of whether the employees are members of a union.

This means that unions can send their storm troopers back into all businesses, as this legislation unlocks the doors of virtually all of our workplaces. This is not a time when such moves can be imposed on a business without the benefits of a strong buffer and a robust small protection process such as those which were available under the Howard government. The Howard government’s record of getting people into jobs and keeping them there is without equal. It created and managed never-before-seen prosperity and growth, which has already been squandered by the Rudd Labor government. The test, of course, for the Rudd Labor government is simple: will this bill help people into
jobs or put them out of jobs? Will this bill create or hinder growth? And will this bill weaken the labour market?

It comes as no surprise that the Fair Work Bill 2008 does deviate from election promises, such as Minister Gillard promising no compulsory arbitration. Now that is back in. The minister promised no pattern bargaining; now that is back in. It is back in by the government stealthily and quietly ushering it through the back door in a way that hopefully no-one would notice and was done apparently to appease those to whom Labor owes its biggest election debt—the unions.

This is not surprising, given that very few government members have actually experienced the frustrations of wanting to work but being prevented from doing so because of continual strike action which resulted in many workers losing their jobs when businesses were forced to shut their doors. I speak from experience on that, and I am sure you know what I am talking about, Mr Deputy Speaker Adams, being a former meatworker yourself.

The fact is that the vast majority of businesses in Australia already treat their employees fairly by rewarding them with appropriate wages and benefits, not to mention other conditions conducive to creating a harmonious workplace, because businesses understand that not doing so will reduce productivity, thereby impacting on profitability and ultimately putting them out of business. Whilst I agree there is a need to ensure that the small percentage of businesses that do not heed proper workplace conditions, including proper remuneration for their staff, are pulled into line, I can only deduce that the introduction of this bill is a way to insert union-dominated dogma into all businesses and return to compulsory union membership, which by coercion and intimidation will attempt to increase union membership numbers above the current 14 per cent who are members nationwide.

It is apparent that the members of the Rudd Labor government are predictably intent on the ideological war on free enterprise. I embraced the issue of free enterprise many years ago as a young married man who saw union activity stifle people’s efforts to achieve through sheer hard work and personal endeavour. I also subscribe to the views of that great Liberal Sir Robert G Menzies, who had this to say in an address on 31 August 1945, when referring to freedom of business enterprise to establish itself and to expand:

When we recall that some of the greatest chapters in Australia’s industrial history have been written about small enterprises which succeeded and became large, we will realise how essential to the community structure and growth is the retention of the freedom of many thousands of citizens to establish themselves in the business of their own choice. It is on the protection of small business that the growth of general business and employment largely depends.

In closing might I reiterate that, whilst the Australian people may have given the Rudd Labor government a mandate for workplace relations changes, I do not believe for one minute that the Australian people have given the government or the unions the right to have our workplaces return to the bad old days of union domination that will cause unwarranted and crippling strikes, historically proven low productivity and, as a consequence of that, higher unemployment. Quite obviously, if there are no amendments which address my concerns regarding the rights, privacy and economic freedom of small business as outlined by me in my contribution tonight to this debate, I will not be supporting this bill.

Ms JACKSON (Hasluck) (7.52 pm)—I am pleased to speak in support of the Fair Work Bill 2008 tonight. This bill delivers on
Labor’s election commitment to restore fairness and balance to Australia’s workplaces and to put an end to the extreme industrial relations laws of the Howard government. During the 11½ long years of the Howard government, there was an erosion of the protections of our industrial legislation and rights at work affecting all Australians. Contrary to the points of view put forward by some members opposite, the conservative-led attack on the rights of Australians at work has not been at the heart of some ideas contest between the major parties since Federation; it is a phenomenon of more recent times, championed by Liberal leaders such as John Howard, Jeff Kennett and Richard Court. These men unleashed an ideological attack, principally directed at trade unions in this country, but the real victims were the Australian ethos of a ‘fair go all round’ and, consequently, ordinary working Australians.

The previous government and current opposition fail to understand that it was our strong industrial legislation that enshrined the principle of a fair go. It was a conservative government that introduced the Conciliation and Arbitration Act 1904. At the time, the leader, Alfred Deakin, said:

It is sufficient for my purpose if it establishes the necessity of bringing both employers and employees under the control of the law, and of endeavouring to obtain the creation of an impartial tribunal which shall mete out even-handed justice between them.

He went on to say:

Its object is to forbid tyranny on both sides, and as far as may be possible, to introduce into our industrial system a new standard which shall apply to all the persons concerned, subject to the interests of the whole.

Balance and fairness were the values at the heart of our industrial system, values that were swept aside by a series of workplace relations laws introduced by the previous government, the most extreme being Work Choices in 2005. And what a series of workplace laws they were—a string of Orwellian bills. I describe them as Orwellian because the Ministry of Truth in George Orwell’s Nineteen Eighty-Four could not have done a better job on some of the titles of the Howard government’s workplace relations amendment bills. Terms like ‘protecting the low paid’ meant opening the way for employees on current award safety nets to have their wages and conditions stripped back; ‘fair dismissal’ meant allowing small business to sack employees unfairly without allowing the industrial umpire to become involved; ‘simplified agreement making’ meant reducing the scrutiny of the Industrial Relations Commission when making agreements; and the ‘registration and accountability of organisations’ meant imposing a regime on unions that the Howard government was unwilling to apply to large corporations or businesses. The only choice Work Choices provided was to sign or resign. In most cases, the coalition government’s workplace relations legislation was driven by ideological extremes—none more so than Work Choices.

Each member opposite has in some way conceded that Work Choices is dead, that Labor has a mandate to introduce this Fair Work Bill. However, their speeches illustrate that the ideological drive that created Work Choices still lives on in their hearts. I urge them to read Labor’s election policy, Forward with Fairness, so they understand the nature of the commitments given and the mandate received by Labor at the last election. Australians want safe and fair workplaces, where the realities of family life are appreciated and the dignity of working people is respected, and where everyone has the right to a fair go no matter how they are employed or engaged, be they employee, contractor or small business person. They want a fair day’s pay for a fair day’s work. They
want the right to chose to bargain collectively, and they want an independent umpire to ensure that everyone participates in good faith.

Prior to entering the parliament in 2001, I spent most of my working life as an advocate for working people. Many of those years I spent as an industrial officer with the Miscellaneous Workers Union, a large union with members employed in a diverse range of industries and occupations, many low paid, many part time and the majority of whom were women. They were not industrially strong and their work skills were often undervalued. They were working people who often struggled to make ends meet. They are sometimes described as the invisible workforce, many of whom the member for Hume referred to tonight. They were childcare workers, cleaners, hospital workers, laundry workers, security guards, carers and home carers—people who are more often noticed when they are absent than valued for the work they perform.

Like other members in this House, I heard many personal stories from constituents about their experiences with Work Choices. I observed firsthand the impact that the coalition’s industrial relations policies had on these people and on people such as those I referred to in the union. In many cases their wages and standards of living went backwards. Much of our lives are involved with work, whether working for someone else or for ourselves. The nature of work, the composition of the workforce and the skills required are constantly changing. So are the patterns of work and the nature of employment arrangements.

But there was one constant, at least until the advent of the Howard government’s so-called Work Choices legislation: the minimum award safety net. No matter the type of employment arrangement, there were legal minimum payments below which it was unlawful to go. Work Choices changed that. It allowed employment arrangements to go below the award minimums. The Howard government’s own review of AWAs in May 2006 revealed that 64 per cent had cut annual leave loading, 63 per cent had cut penalty rates, 52 per cent had cut shift work loadings, 51 per cent had cut overtime loadings and 48 per cent had cut monetary allowances. This is what happens when you let the market rip in workplaces around the country.

That is why I am pleased to be part of the government that is introducing the Fair Work Bill. This bill creates again a comprehensive safety net that it is unlawful to go below. This bill provides unfair dismissal rights. I have to say that it was the loss of protection against unfair dismissal that offended many Australians, certainly in my electorate of Hasluck, especially parents and grandparents concerned about their children and their grandchildren and the kinds of workplaces of the future.

This bill also provides the low paid in our community with a real opportunity to bargain through the multi-employer stream. I represented for many years the contract cleaning industry in Western Australia. I have told the story before in the parliament that I oversaw a situation in Western Australia in late 1997 and 1998 where for the first time I witnessed the hourly rate go backwards for cleaners. People unfamiliar with the contract cleaning industry may not know but the majority of costs for an employer in that industry are labour costs. When the award safety net was in place, the competition between contract cleaning companies was about the service they offered or the techniques associated with their cleaning. After the introduction of the Howard government’s AWAs and individual contracts, suddenly the competition opened up on the labour costs that were associated there. What we witnessed in West-
ern Australia was the driving down of the hourly rate from $11.10 per hour to $9.20. This was in modern Australia and I cannot believe that members opposite think that that is an appropriate, fair or balanced system of industrial relations.

Last November, Australians voted for Forward with Fairness, Labor’s election policy. They voted for a new system of industrial relations, one that would see a fair and comprehensive safety net of minimum employment conditions that cannot be stripped away; a system of fair workplace bargaining that requires the parties to bargain in good faith; protection from unfair dismissal; enhanced protections from discrimination and freedom of association; an ability to balance work and family; and the right to be represented in the workplace. This bill will also see the establishment of Fair Work Australia, a new independent umpire for advice and support for all workplace relations issues and enforcement of legal entitlements.

This bill represents a new beginning for Australian workplaces, a new industrial relations framework based again upon balance and fairness. I do not intend to go into each of the provisions of the bill in detail as that has been addressed by many other speakers. Tonight I would like to congratulate the Deputy Prime Minister and all the others involved in the drafting and preparation of this legislation. I also note and commend her on the consultation and involvement of a broad cross-section of parties involved in Australian workplaces in the development of this legislation.

I know that not each of those parties will get everything it wants in this legislation, but I guess one could argue there is no better indication that what this bill represents is balance and fairness if not everybody thinks they got what they wanted. Here tonight I want to urge members of the opposition to support the bill’s passage not only through this House but also through the Senate, to consider closely any proposed amendments that are put forward, given the broad cross-section of consultation and involvement in the development of the legislation, and not to be tempted again to go down the path of ideological opposition based on some paranoia about trade unions and their power in Australian society.

In concluding my comments tonight, I thought it was appropriate to again quote Alfred Deakin, the man who introduced the Conciliation and Arbitration Act in 1904, and some of the comments he had to say to opponents of that legislation, as his words resonate with truth even today. He said:

This bill starts with a confession that it is based on a humanitarian interpretation of the principles and obligations which form the very basis of civilised society. It leaves to its opponents the creed whose God is greed, whose devil is need, and whose paradise lies in the cheapest market.

I commend the bill to the House.

Mrs BRONWYN BISHOP (Mackellar) (8.05 pm)—As I listen to the contributions of the Labor members on the Fair Work Bill 2008, I cannot help but feel that a lot of them either have not read it or, if they have, do not really comprehend what it will do to the Australian people in terms of job losses. It seems to me that they always have the attitude that, if you are inside the Labor tent, you can have a job and you matter. But if you are outside the Labor tent and you are in the business of providing yourself with a job and employing people—that is, in small business in particular—you do not warrant consideration; you are outside their tent.

The government used to describe Work Choices as ‘extreme’. That was the adjective that would be inserted in every comment that they ever made. But if Work Choices was extreme then the Fair Work legislation,
which has an oxymoron for a title, is downright draconian. The bill goes far further than overturning Work Choices, which was what was taken to the electorate during the last election. There is no doubt in my mind that the omission from the Work Choices legislation of what came to be known as a fairness test, which was in the original reform legislation of the coalition back in the nineties and meant that nobody was worse off, from the time it was dealt with to this point in time, was an error.

It should have remained in the legislation because we are committed to that degree of fairness. I am committed to that degree of fairness. Indeed, I am committed to the concept of fairness all around. But when I see the word used as a political weapon, a piece of ideology, I get very angry.

This bill, in fact, delves back into the pre-Keating industrial relations reform era and returns to the unions the power they have long lusted after. I give credit to Mr Keating as the then Prime Minister and Treasurer before that for having the foresight to see that, in the interests of Australia, something had to be done about industrial relations. There will be people who can remember back to the time when Christmas time, this time of year, was the annual period of strikes, and different unions would take it in turn to strike. You would have people who would ensure that there was no petrol in the bowsers. It was not that petrol was expensive but just that it was not available. If you had an even number on your numberplate, you could get petrol on one day and those with odd numbers could get it the next day.

Then of course we had the ubiquitous postal strikes where you used to consider sending out your Christmas cards around October because you knew that there was a strike on the way. Unions would say, ‘It is your turn now,’ or ‘It’s our turn,’ and on and on it went. What happened is that when we came to power we did in fact bring about reforms in industrial relations. It was a hard period and a hard-fought period and the reforms were indeed ultimately passed with the agreement of the Democrats. That meant that we started to see a period of stability.

This bill repudiates the principle that was adhered to by both Keating and Howard of reigning in the overarching power of the umpire. Back then it was the Industrial Relations Commission and now it is Fair Work Australia. But the whole bill is surrounded by smoke and mirrors. It is put up as a modern system. Perhaps it is postmodern. But it is put up as a modern system which it says refrains from returning power to the unions when in fact that is precisely what it does.

Paul Kelly’s article in the Weekend Australian has been quoted by many opposition speakers, and for good reason. In this climate where Minister Gillard has been lauded by all and sundry—and I have to say that I think she has found some very strange bedfellows who, when they wake up in the morning, might find that it was not such a good idea after all—the article has set out the ramifications of this legislation. The heading of the article is ‘IR reforms asking for trouble.’ Aside from setting out just what the bill does, Paul Kelly quotes a brief prepared by the law firm Freehills which points out the new methods of centralising wage fixing across an industry. Freehills is quoted as saying that:

... true non-union agreements are only possible, (1) in workplaces where there are no union members; or (2) where the union chooses not to be covered by an agreement.

Paul Kelly also quoted Peter Anderson, the director of the Australian Chamber of Commerce and Industry, on the way he believes unions will achieve pattern bargaining. The Deputy Prime Minister, as recently as her
appearance on the 7.30 Report, has said it will definitely not occur, but in fact it will occur but under another name. Anderson says:

The Government is opening new avenues to multi-employer bargaining with industry-wide arbitration that has not existed before.

If you go to a document prepared by the Parliamentary Library, you will find a section called ‘Issues of concern to employers’. There are 10 such issues listed in their document. It begins with the unfair dismissal provisions. I will return to that in a moment because I think it is one of those issues which really cannot be allowed to stand. The second one, they say, is that:

In a transfer of business, transferring employees will be covered by the old employer’s industrial instruments indefinitely … New employees in the business transferred may also be covered in particular circumstances. But most importantly, a transfer of business includes an outsourcing, re-structure or other transaction involving use of assets.

In other words, it is a disincentive for the sale of a business that somebody may (a) have built up or (b) be in need of selling. Because of the times that we find ourselves in they may find they are unable to do so because of these provisions.

The third thing that they say employers will be concerned about is the refusal-to-bargain provisions. The document says:

An employer who is negotiating an enterprise agreement cannot refuse to bargain with a union with one or more members. Furthermore, an employer who does not want an enterprise agreement at all can be compelled to negotiate (but not to agree) if a majority of employees want one.

In other words, the concept of how you undertake your negotiations is again prescribed by the legislation.

Then we have the new concept of good faith bargaining, protected action and arbitration. We know, of course, that the term ‘protected action’ means strike action. And you could well call this provision the Trojan Horse of the legislation because it really does allow a return to centralised wage fixing. The requirement to bargain in good faith and the ability of Fair Work Australia to arbitrate a workplace determination on competing claims if there are serious and repeated breaches of such orders means that Fair Work Australia may arbitrate a workplace determination in enterprise bargaining if strike action—that is, protected action—is causing significant harm to any employee and the employer. So, in a situation where there is a dispute, once again the centralised wage-fixing agency, now Fair Work Australia, will have the power to arbitrate.

We come to point No. 5 as outlined in the library’s assessment of the legislation: compulsory bargaining and arbitration for the low paid. This is precisely what was being referred to by the director of the Australian Chamber of Commerce and Industry. This will allow regulated multi-employer based bargaining for the low paid. There is no definition of low paid; however, it seems to largely mean employees employed on or close to the award. This can potentially be expanded, but that would seem to be contemplated in the legislation and not spelt out. This can lead to an arbitrated resolution by Fair Work Australia of the union’s outstanding claims, which is a fundamentally different type of arbitration than a safety net arbitration in accordance with the minimum wage fixation principles. This could easily turn into massive industry based bargaining and arbitration.

Industries particularly affected are likely to include cleaning, retail, hospitality and child care. In these times of financial turmoil, the hospitality industry is one that is going to be hit very hard. Already we are seeing evidence that people who would normally use restaurants and other food and
drink outlets are buying food and taking it home. There is going to be great pressure on that industry. Many people are going to find that they simply cannot cope, but there will be those at the edge who are going to be able to hold out if things do not change too badly for them. But once you impose this situation upon them, whereby FWA can arbitrate, resulting in a payment being higher than the safety net payment, you will see many more proprietors going out the door—and jobs with them.

On this side of parliament we believe that the best thing that a government can create is the environment to assist a person to have a job. To be someone in work is so much preferable to being someone who is out of work and receiving welfare payments. Pride in yourself and pride in your family stems from the ability to work. When this government’s budget was brought down, it predicted that there would be a rise in unemployment of 134,000 people. Subsequent to that, we have had world financial turmoil. Predictions are now that unemployment could rise to six per cent. If we go back to the bad old days of the recession we had to have, in the Keating years, we will remember that unemployment went to over 10 per cent and we had one million people unemployed. If we start to see those numbers realised again in this circumstance, where our financial situation has become very much more precarious than it was previously, we will see a very slow return to work for those people who find themselves out of a job, because the industrial relations structure will mean it is prolonged.

The sixth point that the paper makes is for injunctions to enforce awards in enterprise agreements. A union or employee will be able to obtain an injunction preventing an employer breaching an award or enterprise agreement. Examples could include a union obtaining an injunction preventing a restructure of a business if consultation provisions or redundancy procedures in an agreement were not followed; an employee obtaining an injunction preventing their dismissal if a disciplinary procedure in an agreement was breached; or a union enforcing a status quo provision in a dispute resolution procedure.

The seventh problem that they see for employers is AWAs and ITEAs and what to do with new employees. Utilising individual flexibility arrangements may be a way to go, and that perhaps is the only ray of hope in this legislation—that, subsequently, individual flexibility arrangements may in fact allow for individual agreements. The eighth problem raised is award modernisation. What changes to minimum terms and conditions will result from this modernisation process, especially for employees who are currently award free? Fair Work Australia will also be able to make orders to ensure that an employee does not lose take-home pay as a consequence of award modernisation. How will it be interpreted? How will it be imposed? There are transitional questions dealing with collective agreements, and ITEAs being negotiated will now be subject to the provisions that the act sets out.

The 10th, and very serious, issue is the increased right of entry powers. This is truly where unions are being given their payback. The trade unions spent $15 million minimum to get this Labor government elected, and they want the money back. The way they will aim to get the money back is by seeing their membership increase, by non-union members being forced to pay a fee for negotiations, by a return to their place of influence and by exercising that influence to keep union membership high. Currently, in the private sector only 14 per cent of workers are covered by a union. That is the real aim of this piece of legislation.

I want to deal specifically with the unfair dismissal provisions and in detail with the
increased right of entry powers in the little time that I have left. Unfair dismissal became the greatest burden that small business had to bear. They became used to being subject to the ‘go away money’ payments. Disgruntled employees who legitimately should no longer be employed by that employer could start vexatious or any form of proceedings they wished and, because the employer could not afford the time off work or the angst of preparing a case and paying lawyers, the employer would simply pay a lump sum to the employee to go away. This legislation brings that all back.

We said that those unfair dismissal provisions should be gotten rid of for firms of under 20 employees. We took that to two elections. We had a mandate for that. Did the Labor Party acknowledge that mandate? No. And yet they say that they have a mandate to do what they are doing in this legislation. In part, you can argue that they do. But, in a moral sense, how can they ask that their mandate be honoured when they refused to honour the mandate of a previous government? We will again see small businesses simply refrain from employing people; refrain from taking the risk that they will have to pay ‘go away money’.

The increased right of entry provision is an extraordinary provision. It will allow, virtually unfettered, a union to enter any workplace for discussion—and for ‘discussion’ read ‘recruitment’—or for inspection to see if there is a breach. Whatever the reason, they then get access to the records of employees, which they can copy and keep. They can get the records of non-union employees. They can demand documentation. And there is no holding back on the part of the employer, because this legislation gives all the power to the unions to demand those records. How would you feel if you were a small business person or an employee and all your records were handed over with you having no say? Those two parts of the legislation are going to deny people jobs and pass information to unions to which they have no right. They are indefensible parts of the legislation.

There are many parts of this legislation in need of reform and in need of amendment. I have said that it will impede recovery. One can ask this question: how many jobless will be sacrificed on the altar of union power? Here in the Lower House we are impotent to change the legislation, because we do not have the numbers. But we can stand up and say that we are appalled by it. I am pleased to read the comments of the two Independent senators, Senator Xenophon and Senator Fielding, which are basically in accord with many of those that I have made tonight. I hope that we will see some justice for those people who are going to be left out in the cold and that we will not see more people sacrificed—(Time expired)

Ms CAMPBELL (Bass) (8.25 pm)—On 24 November 2007 we as a nation breathed a collective sigh of relief. It was the day on which across the country workers and their families could look forward with confidence to the return of fairness in the workplace. That is why I rise today to add my voice to that of those in support of the Rudd government’s Fair Work Bill 2008. In the aftermath of the 2004 election, rights and conditions which had been hard fought for were stripped away in the blink of an eye. Those opposite took advantage of the trust that the Australian people had shown in them, and the result was Work Choices.

As a government, we are keeping the deal that we struck with the Australian people. We said that we would do away with Work Choices and return fairness and balance to the workplace. Earlier this year, the Deputy Prime Minister introduced the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. That effec-
tively brought an end to the Australian workplace agreements and allowed the process of award modernisation to begin. The bill to which I speak today builds upon this and paves the way for a new workplace relations system. This bill will take effect from 1 July 2009. This legislation allows us the luxury of looking forward with optimism to a system in which the most basic principles of fairness will be at work.

This will be a system built upon some basic yet fundamental principles: notions like a fair day’s work for a fair day’s pay. That seems somewhat basic, and yet it was this premise which was casually and callously tossed aside by the previous government. Work Choices stripped away rights and allowed the worst employers to adopt a divide and conquer approach when it came to negotiating with workers.

That is not to say that this was the case in all workplaces, because it was not. There are in my electorate of Bass some wonderful, fair and generous employers. But—and this needs to be said—that is not always the case. At its worse, Work Choices took advantage of the most vulnerable in the workplace: young people going for their first job, single mothers, long-term casuals and the low paid. Essentially, it allowed employers to make demands, however unreasonable, and force the hands of those most vulnerable to acquiesce.

The following statement has been well documented in this House. However, it is still something that has the power to shock me. It is the admission from the former workplace relations minister, Joe Hockey, when he told the ABC’s Four Corners program:

I don’t think many ministers in cabinet were aware that you could be worse off under WorkChoices, and that you could actually have certain conditions taken away.

Once I started to raise those issues with colleagues and they became more informed of the impact of WorkChoices, we introduced the fairness test.

It must be noted that the so-called fairness test did little to redress the gross imbalance in workplaces the country over. I was and still am shocked by that admission. It says so much about the cavalier attitude of those opposite to workers and their families.

As I campaigned last year, I travelled the length and breadth of Bass and there were many recurring issues which troubled people in northern Tasmania. One thing which came through loud and clear was that people had not voted for Work Choices. They did not know that the first thing that a power-drunk coalition would do was strip away their security.

Grandparents were concerned for the future of their children and grandchildren. Young people feared for the conditions under which they would be introduced to working life, and they were justified in being concerned. One company in Tasmania negotiated an AWA which stripped away penalty rates, overtime and annual leave loading, and in return workers received an additional 2c an hour. Another company forced an agreement on workers which specifically excluded rest breaks, incentive based payments and bonuses, annual leave loadings, observance of public holidays, overtime payments, shift work allowances and penalty rates.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The debate is interrupted in accordance with standing order 34. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member will have leave to continue speaking when the debate is resumed.
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 55 citizens)

Indigenous Communities

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

This petition of Petitioners and Citizens of Australia draw the attention of the House that:

1. The Social Security and other Legislation Amendment (Welfare Payment Reform) Act 2007, designates five situations in which a person may become subject to an income management regime
   • Income management of residents in prescribed communities as part of the NTER
   • Income management linked in child protection;
   • Income management linked to school enrolment;
   • Income management linked to school attendance; and
   • Income management as recommended by the Family Responsibilities Commission, Cape York,

2. The report of the Board of Review into the Northern Territory Emergency Intervention urged on 14th October 2008 an end to the compulsory income management system.

3. Quarantining of income is a severe intervention into the lives of families. Quarantining of income without comprehensive family support services
and guaranteed access to universal services is not an effective response to neglect and or truancy. 

We therefore ask the House to:

1. Rescind all legislation providing quarantining of social security income for both indigenous and non indigenous families.

2. Affirm the principle that garnisheeing of income in respect to school enrolment and school attendance and child protection issues only occur under judicial review.

by **Mrs Irwin** (from 147 citizens)

**Greenway Electorate: Old Pitt Town Road and Boundary Road**

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

The petition of certain electors and residents of the division of Greenway, members of the public and concerned citizens of NSW draws to the attention of the House that the Intersection known as Old Pitt Town Road and Boundary Road in Oakville, NSW is a well known black spot of great concern. The road has been the scene of many accidents including fatalities and needs to be upgraded and have safety measures implemented.

Your petitioners therefore request the House to:

1. Act immediately at Federal, State and Local Level to upgrade the intersection of Old Pitt Town Road and Boundary Road; and

2. **commit funding for the purpose of upgrading the road**

by **Mrs Irwin** (from 1,607 citizens)

**Cluster Munitions**

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

The petition of certain citizens of Australia draws to the attention of the House:

That unexploded cluster submunitions disproportionately kill and maim civilians, including a high percentage of children delay relief efforts in post-conflict countries as well as disrupting long-term development, and continue to kill and maim long after they are deployed and the conflict has ended. We note that Australia does not possess cluster munitions and does not use them.

Your petitioners therefore ask the House to:

Legislate a ban on the production, transfer, stockpiling and use of cluster munitions that cause unacceptable harm to civilians.

Pass a motion supporting the Oslo Declaration committing Australia to working towards an international treaty that would ban the production, transfer, stockpiling and use of cluster munitions that cause unacceptable harm to civilians globally.

by **Mrs Irwin** (from 31 citizens)

Petitions received.

**Responses**

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

**Indigenous Communities**

Dear Mrs Irwin,

Thank you for your letter of 17 September 2008 in relation to a petition about giving Indigenous Australians a voice. I welcome the opportunity to respond to the petition.

The Australian Government is committed to establishing a national Indigenous representative body to give Aboriginal and Torres Strait Islander people a voice in national affairs and is seeking their views prior to making a decision on the form of the body. A public consultation process commenced in July 2008 which to date has included over 80 public meetings across Australia in every state and territory.

There has been a high level of positive and productive feedback at each consultation meeting and as part of the written submission process. Some of the key messages are that the representative body should:

- advocate human rights and social justice for Indigenous people;
- be credible with both Government and communities, with open and transparent operations and decision making;
- be independent from Government;
- be accessible to all Indigenous people;
• have fair and diverse membership, particularly equity in gender, inclusion of youth and representation from urban, regional and remote communities;
• be sustainable and have adequate and appropriate sources of funding; and
• have clearly articulated roles and functions.

Copies of submissions are available on my Department’s website, and outcomes of each consultation meeting will shortly be available.

I will soon make available information on the next phase of consultation.

During the consultation process, Indigenous organisations and other formal advisory mechanisms will continue to be consulted to inform the Government’s policy making.


Thank you again for writing.

from the Minister for Families, Housing, Community Services and Indigenous Affairs, Mrs Macklin, to a petition presented on 15 September by Mrs Irwin (from 479 citizens)

Pedestrian Crossing: Athelstone

Dear Mrs Irwin,

Thank you for your letter of 17 September 2008 about pedestrian safety on Gorge Road in the vicinity of St Ignatius campus, Athelstone.

I advise that guidelines within Australian Standards are used by all state road authorities throughout Australia as a basis to determine the need for a pedestrian crossing. This enables the Department for Transport, Energy and Infrastructure (DTEI) to prioritise work and ensure the equitable allocation of funds across the entire road network.

In South Australia, approval for the installation of pedestrian actuated (push button) crossings is provided in a code that sets out the requirements for the use of traffic control devices. In particular, it indicates that a pedestrian crossing may be installed where a pedestrian survey establishes that:

“In two separate one hour periods of a typical weekday, there are no fewer than 60 pedestrians crossing the roadway within close proximity to the site (generally within 15 to 30 metres)”.

I am advised that a recent pedestrian survey undertaken by DTEI on 16 October 2008 indicated that the number of pedestrians observed crossing at this location is well below the minimum required to justify the installation of a pedestrian crossing. Given the relatively low number of pedestrian movements at this location, DTEI considers that the existing pedestrian refuge is appropriate at this time.

Nevertheless, DTEI will install safety fencing on either side of the refuge area to better channel pedestrians to the crossing area. This work will be completed by the end of December 2008. The longer term issue of traffic management at this school will also be discussed between DTEI, the school and the City of Campbelltown.

In South Australia the speed limit for school zones is 25km/h. This speed limit is the lowest in Australia with all other jurisdictions having a 40km/h speed limit at school zones.

I trust that the above information is of assistance.

from the South Australian Minister for Road Safety, Hon. Carmel Zollo MLC, to a petition presented on 15 September by Mrs Irwin (from 479 citizens)

Statements

Mrs IRWIN (Fowler) (8.31 pm)—Last Wednesday evening the Standing Committee on Petitions had the great pleasure of meeting with its counterpart from the Scottish parliament, the Public Petitions Committee, by videoconference. Scotland is a world leader in the use of technology to improve contact between the public and its elected representatives. It was on a visit to Scotland that the former Procedure Committee was enthused to reform the way in which we handle petitions. Having now had a system in place for a number of years, the Public Petitions Committee is reviewing its system and was interested in sharing ideas with us on a range of issues around petitioning, in-
including electronic petitioning, which as I have advised the House on previous occasions is the subject of an inquiry by our own Petitions Committee at present.

The Scottish review is looking at ways to improve awareness of, and access to, the public petitions process and identifying ways in which ICT can assist in processing petitions. It will also investigate existing ways in which petitions are scrutinised and ways in which that scrutiny can be improved. The committee expects to report in May 2009.

I would like to place on record our appreciation that the convenor of the committee, Mr Frank McAveety, committee member Mr Robin Harper and the committee secretary, Mr Fergus Cochrane, braved a very chilly Edinburgh morning to participate in the video conference. I would also like to thank the members of the Petitions Committee here for attending and making a sitting day later than it should have been. My thanks also to petitions secretariat staff Joanne Towner and Julia Morris, two outstanding women whom we are happy to have assisting us with our inquiry, especially every Wednesday when parliament is sitting and we get together. I would also like to thank the wonderful staff in Broadcasting and Hansard for assisting us in holding the video conference—it went without a hitch and was a great experience.

We were particularly interested in hearing about electronic petitioning in the Scottish parliament, now a well-established feature of their petitioning system. Their site has become incredibly popular, and in fact so popular that it has caused problems in terms of maintaining the system and ensuring it does not become overloaded. They are now looking, as part of their current inquiry, at other ways of involving the public, moving beyond electronic petitioning to other forms of social networking, using technology to try and reach those groups that are disengaged from the political process.

We were also pleased to have the opportunity to discuss with the Public Petitions Committee representatives the way in which they deal with petitions and the sort of action they take—up to and including conducting inquiries on particular petitions and then having them debated in the chamber. They are more advanced in the various mechanisms they use to respond to petitions, but it gave us all an insight into the potential role our committee might play in future.

I hope that contact with the Scottish committee will become a regular occurrence and that we can continue to share ideas about how to make petitioning a vital part of our democracy.

Mr Broadbent (McMillan) (8.35 pm)—I take this opportunity tonight to talk about one of the petitions just presented in the House, that dealing with retaining the prayer that is said at the start of each sitting day in this place. Tonight the Chair of the House of Representatives Standing Committee on Petitions, the member for Fowler, presented a petition from 140 citizens calling for the prayer to be retained in its current form. I know from the contact that has been made with the committee secretariat that we are likely to receive further petitions on the subject, both in support of the retention of the prayer and also putting a contrary view. It is not my intention tonight to advocate a particular point of view. I suspect that a range of opinions exist among members of this House about the prayer and what it symbolises. I would, however, like to comment on the process for public input on this subject and the role of the Petitions Committee.

I think it is interesting to reflect that the first petition ever presented in this parliament was one from the General Assembly of the Presbyterian Church of New South Wales.
in support of a proposal to open sittings of 
the House with a prayer. That was on 21 May 
1901. This was followed by a motion in the 
House on 7 June 1901 that the standing or-
ders provide for Mr Speaker to take the chair 
and read a prayer. The motion was agreed, 
and following a report by the then Standing 
Orders Committee on 13 June 1901 a new 
standing order setting out the text of the 
prayer was agreed and the standing orders 
amended. Prayers were first said on 14 June 
1901.

The form of the prayer has remained 
largely unchanged since that time, except for 
some additional words introduced in 1918 
for the duration of the war. It is in two parts, 
the first seeking blessings on the parliament 
as it deliberates on matters ‘for the welfare 
of the people of Australia’. The second com-
ponent is the Lord’s Prayer.

At the end of October this year the subject 
of prayers received significant coverage in 
Sunday newspapers. The Speaker issued a 
clarification which read:

I have not suggested ‘scrapping’ the Lord’s 
Prayer as per the headline in some of today’s 
newspapers. This issue is not under consider-
ation by the House. My comments were made in the 
context of being interviewed about parliamentary 
procedure and relate to the fact I have received a 
wide range of opinions about the opening prayer; 
from the appropriateness of the use of the 1901 
Church of England version of the Lord’s Prayer 
and whether it should be updated, to the relevance 
of the prayer in modern Australia.

Commentary in the press continued, how-
ever, and there were a number of articles and 
letters to the editor on the subject. I would be 
surprised if any member of the House had 
not received emails, letters or calls in support 
of the prayer and also in support of change.

Both the Prime Minister and the Leader of 
the Opposition have indicated they do not 
support a change to current arrangements.

The arguments both for and against have 
been very interesting. Those supporting re-
tention of the prayer point to it as a long-
standing tradition of the Australian Parlia-
ment; that Australia has a Christian majority 
and the prayer is a time for a reaffirmation of 
the purpose of the parliament—to govern for 
the welfare of the people of Australia. Those 
supporting change argue that the practice is 
antiquated, discriminatory and in conflict 
with the idea of separation of church and 
state. Many Australians either are not Chris-
tian or do not have any particular religious 
beliefs. Proposals for change have ranged 
from a minute’s silent reflection through to a 
non-denominational statement of commit-
tment to the people of Australia.

I believe the petition presented this eve-
ning demonstrates a number of things. We, as 
representatives of the Australian people, 
want the public to be involved and able to 
express, directly to the parliament, their 
views on public issues. Petitioning allows 
people to do this as part of a suite of ways in 
which they communicate with their represen-
tatives.

The committee will continue to present 
petitions on a range of topics, provided they 
are in accordance with the standing orders, 
as is its role. This may mean that the com-
mittee will at times be presenting petitions 
on the same subject that take directly con-
trary views. I do not think it is well under-
stood by the general public that presentation 
of a petition by a member or the committee 
does not necessarily equate with endorse-
ment of the views of the petition. Presenting 
a petition is part of a member’s role to repre-
sent their constituents, regardless of their 
personal views. Indeed, I know that the chair 
has received some correspondence in the 
past critical of her presenting a particular 
petition from those who do not support the 
views expressed via a petition.
My advice to people is to get involved, and, if they feel strongly about an issue, start communicating with the parliament, whether it be via a petition or by contacting their local member. We as members of the Petitions Committee take the revised arrangements for petitioning the House very seriously—(Time expired)

SAVING THE GOULBURN AND MURRAY RIVERS BILL 2008

First Reading

Bill and explanatory memorandum presented by Fran Bailey.

FRAN BAILEY (McEwen) (8.40 pm)—I present the Saving the Goulburn and Murray Rivers Bill 2008. We need a national management plan that returns water to the Murray-Darling system, regulates the usage and ensures the efficient delivery of water to cope with the variability of seasons and weather patterns. We need the states to cooperate in the national interest by way of an intergovernmental agreement, or IGA, but the reality is that the government’s plan is flawed and doomed to failure because one state, Victoria, with the imprimatur of the federal Minister for the Environment, Heritage and the Arts is flagrantly breaching the conditions of the IGA at the expense of all communities throughout the basin. And for as long as the Rudd government allows the Victorian government to act in this rogue manner they cannot claim to achieve a national management plan for the Murray-Darling Basin.

This private member’s bill will stop the Victorian government from taking a net 75 billion litres of water each year from the Goulburn River, which it claims is water saved from its Food Bowl Modernisation Project, and stop the construction of the north-south pipeline that the Victorian government will use to pipe the 75 billion litres of water to Melbourne. This is a clear breach by Victoria in not returning saved water to the Living Murray Initiative. Yet the Rudd government has been prepared to turn a blind eye to this rogue action that destroys the only real chance to achieve for the first time a national management plan to achieve sustainability for the Murray-Darling Basin.

The principles outlined in this bill will, however, deliver a national management plan by preventing the unauthorised extraction of water from the basin, by preventing the construction of the north-south pipeline as the means of delivering this saved water to Melbourne, by ensuring that the states of Victoria, South Australia and New South Wales comply with their obligations to return audited, saved water to the Living Murray Initiative and by ensuring this water is not used for any purpose other than the Living Murray Initiative.

Only when these conditions have been met can the government claim to have achieved a national management plan that has a hope of achieving sustainability. As long as the government fails to act to bring Victoria into line with the other states, it does not have a legitimate or workable IGA and the other states would be justified in demanding that Victoria comply in the same way that they must comply. As things stand today, Mr. Brumby’s cavalier action will send the 75 billion litres he is claiming that he has saved from modernising the irrigation channels in the Goulburn Valley down the north-south pipeline to Melbourne. The other states and the Commonwealth not only deserve better co-operation from Victoria than this but cannot in good faith enter into a so-called national management agreement with a state that cannot even convince its own Auditor-General of its bona fides in regard to its management of water.

The rogue action by the Victorian government has already had devastating conse-
quences. I could never convey the true extent of the emotional, physical and financial hurt experienced by my constituents as they have been arrested for trying to protect their own property and having to watch as heavy equipment gouges a path of destruction across their land, destroys pasture locked up for hay, destroys local areas of national park—all to build a $1.5 billion pipeline to extract water from a region in drought with historically low water levels and, under the IGA, as proposed by the government, water that is meant to go into the Living Murray Initiative.

Not just for my constituents but for all Australians dependent on the water of the Murray-Darling Basin who want a true national water management plan I urge all members to support this bill. Those who fail to insist on these principles being included in a national management plan for the Murray-Darling must accept the responsibility for failing to grasp the opportunity for real, sustainable reform. We have an opportunity to cut through tokenism. Any national water management plan that does not incorporate the principles outlined in this bill lacks real credibility and can never achieve its purpose.

Bill read a first time.

The DEPUTY SPEAKER (Hon. BC Scott)—In accordance with standing order 41, the second reading will be made an order of the day for the next sitting.

COMMITTEES

Migration Committee

Report

Mr DANBY (Melbourne Ports) (8.45 pm)—On behalf of the Joint Standing Committee on Migration, I present the committee’s report, incorporating a dissenting report, entitled Immigration detention in Australia: a new beginning—criteria for release from immigration detention, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Mr DANBY—I have great pleasure in presenting Immigration detention in Australia: a new beginning, the report of the Joint Standing Committee on Migration inquiry into immigration detention in Australia. I must begin by thanking the deputy chair, the honourable member for Hughes, and all the members of the committee, for their participation in our inquiry, and also the committee’s staff, who have provided us with their usual highly professional assistance in the conduct of the inquiry and the preparation of this report.

In addition to the extensive program of hearings, the committee met with current and former detainees and visited detention centres, residential housing units and community detention housing in Perth, Melbourne, Sydney, Darwin and even Christmas Island, with its equivalent of the Goulburn Supermax—a great waste of $400 million of Australian taxpayers’ money and completely uninhabited.

At the time of the committee’s visits, there were nationals of 97 countries in detention in Australia, the majority from the PRC. There were 249 people in Villawood, representing just over half the nationwide detention population of 488. Between the committee’s visit and the time of writing, the number detained nationwide fell to 279. Minister Evans’s announcements in July of this year signalled a paradigm shift in Australia’s policy. The presumption of detention that defined the policy of the previous government has shifted to an assumption of release following minimum checks. The onus will be on the Department of Immigration and Citizenship to demonstrate that detention is necessary.
The first two terms of reference for the committee’s inquiry concerned the criteria for release from detention and the length of detention. The committee decided that it was appropriate to report separately, and as a priority we have published *Immigration detention in Australia: a new beginning*, the first of three reports.

The committee’s inquiries revealed a very unsatisfactory state of affairs which had developed under the administration of the previous government. We heard evidence that people who posed no risk to the community were being held in detention without just cause. We heard concerns that the current immigration detention system is arbitrary and lacks transparency in its administration. We learned that too many people spent years in immigration detention with little hope for a resolution of their case. Despite recent changes to both policy and to administrative culture, we can and must do better.

A recurring concern about the current immigration detention system has been the indefinite nature of detention, with little scope for review and little information about the reasons or rationale for detention. This report tackles those uncertainties and sets out benchmarks, including five-day time frames for health checks; up to 90 days for the completion of security and identity checks, after which consideration must be given to release onto a bridging visa; a maximum time of 12 months detention for all except those who are demonstrated to be a significant and ongoing risk to the community; and the publication of clear guidelines regarding how the criteria of unacceptable risk and visa non-compliance are to be applied.

The committee also considered the practice of charging a person for the time spent in detention. This practice was considered harsh and contrary to the stated value that immigration detention is not punitive. The committee agreed that all debts should be waived immediately. I note that the minister is currently reviewing this policy, and hope that the committee’s recommendations will be taken into account.

Any discussion of immigration detention policy in Australia raises the legacy of past approaches, past failings, and past shame. As the committee heard in evidence, there are many individuals in Australia and elsewhere around the world who continue to struggle to rebuild their lives and recover from their experience in immigration detention in Australia.

The committee also looked at people who voluntarily depart Australia and the role that Department of Immigration and Citizenship plays in facilitating their arrangements. The committee recommended an extensive involvement of external professionals in these deportations. Hopefully, this report will not just be a new beginning for people held in detention but for Australian society and the way we treat those who come to our shores either legally or illegally.

Today we had the outrageous claim that there is a surge of refugees coming to Australia in contrast to the humanity evinced by this government and this report. I have never heard such rubbish. I spoke to Mr Cook in Indonesia from the International Organisation of Migration and he authorised me to say in this parliament that there was no such surge. He has been misquoted by the shadow minister for immigration and it is a disgraceful hysteria being used by the shadow minister on an important issue for the ethos of the Australian people. (*Time expired*)

The DEPUTY SPEAKER (Hon. BC Scott)—The time allocated for statements on this report has expired. Does the member for Melbourne Ports wish to move a motion in connection with the report to enable it to be debated on a future occasion?
Mr DANBY (Melbourne Ports) (8.51 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. Does the member for Melbourne Ports wish to move a motion to refer the matter to the Main Committee?

Migration Committee
Report: Referral to Main Committee

Mr DANBY (Melbourne Ports) (8.51 pm)—I move:

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

Question agreed to.

Corporations and Financial Services Committee
Report

Mr RIPOLL (Oxley) (8.51 pm)—On behalf of the Parliamentary Joint Committee on Corporations and Financial Services, I present the committee’s report entitled Opportunity not opportunism: improving conduct in Australian franchising, together with evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Mr RIPOLL—As Chair of the Parliamentary Joint Committee on Corporations and Financial Services it gives me great pleasure to table the report Opportunity not opportunism. The committee inquired into the operation of Australia’s Franchising Code of Conduct with a view to identifying justifiable improvements to the code. The committee has made 11 recommendations which are consistent with its overall aim of raising the standard of conduct in Australian franchising.

Franchising is an ongoing relationship between two separate commercial parties, a franchisor and a franchisee. The franchising relationship is based on a prescribed business model which is offered by the franchisor and carried out, under their guidance and oversight, by franchise owners, also known as franchisees. The nature of franchising dictates that each party’s obligations are ongoing and variable, forming an interdependent contract that is fundamentally based on an ongoing relationship. Variable contracts underpinning the franchising relationship can impair the viability and success of individual franchise agreements for the following reasons: firstly, differing expectations about the obligations of each party to the agreement and, secondly, an asymmetric power dynamic within franchise agreements, with potential to lead to abuse of power.

The time during which a prospective franchisee is considering entering into a franchise agreement represents the best opportunity for both franchisee and franchisor to make an accurate and informed assessment about whether this is the right agreement for them. Undertaking unbiased pre-agreement education is important, but even more critical is obtaining sound legal and business advice before entering into a franchise agreement. Although many franchise agreements result in successful and profitable ongoing business relationships, issues arising during the term of the agreement can cause tensions, with the potential to escalate into disputes.

Franchisee expectations about renewal need to be better managed, and the financial implications of nonrenewal better understood, before fixed term franchise agreements are initially signed. Franchise agreements should clearly stipulate what the end of term arrangements and processes are, and these arrangements should be fully and transparently disclosed to prospective franchisees. To specifically reduce disputation
around end of term arrangements, the committee also recommends that disclosure provisions in the code be amended to increase transparency before the start of a franchise agreement about what processes will apply at the end of that agreement.

To assist the Australian Competition and Consumer Commission in its enforcement role, the committee recommends the introduction of pecuniary penalties for code breaches. Such penalties would act as a deterrent to unacceptable conduct. The committee also recommends enhancing the ACCC’s proactive investigative powers in relation to potential breaches of the code.

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

Mr RIPOLL (Oxley) (8.52 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 next sitting.

Corporations and Financial Services Committee
Report: Referral to Main Committee
Mr RIPOLL (Oxley) (8.55 pm)—I move:
That the order of the day be referred to the Main Committee for debate.
Question agreed to.

Industry, Science and Innovation Committee
Report
FRAN BAILEY (McEwen) (8.55 pm)—On behalf of the Standing Committee on Industry, Science and Innovation, I present the committee’s interim and final reports of its inquiry into research training and research workforce issues in Australian universities entitled Building Australia’s research capacity, together with the minutes of proceedings.

Ordered that the reports be made parliamentary papers.

FRAN BAILEY—I am pleased to present this report, Building Australia’s research capacity, on behalf of the Standing Committee on Industry, Science and Innovation and in particular on behalf of the committee chair, the member for Calwell, who is currently absent from parliament due to illness.

This report addresses several fundamental issues relating to research training in Australia. First and foremost was the recognition that the path to research begins not at university but at primary and secondary school. Australia’s strategy to improve research competitiveness must address fundamental factors that prepare students for research career pathways. The current declining interest in, and standard of, foundational subjects like maths, sciences, history and languages are leading to both a shortage of teachers who are suitably qualified in those areas to teach the future generations of schoolchildren and a decrease in the standard of tertiary-ready students.

The committee recognises that there needs to be greater collaboration between universities and research institutes and the wider world, including schools and industry. The committee emphasises that research training is not the sole responsibility of academia, nor is academia the sole beneficiary of research training. Research is of value to our society as a whole, be it in academia and government or industry and business.

Perhaps the most important issue for this inquiry is that the fundamental obstacle to building Australia’s full research capacity is the lack of adequate funding to underpin research training and research careers. Underfunding of research across the spectrum is reducing Australia’s international competi-
tiveness in the areas of research and innovation. The full cost of research training, whether it is provided by a university or a research institute, needs to be funded if Australia is to have healthy and dynamic research programs. Universities and institutes cannot provide a high standard of resources or outcomes with overstretched budgets. Yet proper research training requires high-quality supervision, adequate infrastructure and national and international collaborative research opportunities.

Chronic underfunding has led to increased casualisation in the academic workforce, overreliance on short-term grants and low salary scales relative to industry. Additionally, Australian culture does not generally hold research and researchers in high esteem, despite the significant contribution they make to the nation. The low status of research careers is evidenced by their low levels of national investment, social recognition and relative remuneration. The challenges in attracting and retaining academic staff at universities are exacerbated by the looming retirement of a significant section of the current workforce. A significant boost in funding will assist in making research careers attractive and help Australian universities retain their research and teaching staff to train the next generations of researchers.

Another key issue for the inquiry was the recognition that researchers in training need to be funded properly to mitigate—

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

FRAN BAILEY (McEwen) (9.00 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. Does the member for McEwen wish to move a motion to refer the matter to the Main Committee?

Industry, Science and Innovation Committee

Reports: Referral to Main Committee

FRAN BAILEY (McEwen) (9.00 pm)—I move:

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

In moving the motion, may I take this opportunity to thank the members of the secretariat who are here and all of my colleagues who participated in this inquiry.

Question agreed to.

Foreign Affairs, Defence and Trade Committee

Report

Mr BEVIS (Brisbane) (9.01 pm)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the committee’s report entitled Review of the Defence annual report 2006-2007.

Ordered that the report be made a parliamentary paper.

Mr BEVIS—This report covers a range of important matters to do with Australia’s Defence Force and our national security. It comes at a time of heightened activity by our Defence Force with intense deployments in many parts of the world, including some of the more hostile places that troops are presently deployed in around the globe.

At the outset I would like to record my thanks as chair to a number of people. This report would not have been possible had it not been for the wonderful support that the committee has received from the secretariat and I would like to single out Lieutenant
Colonel Paul Nothard for the wonderful and outstanding support that he has provided not just for this report but also to the committee throughout the year. Colonel Nothard will be leaving his posting here at Parliament House and I am sure that he goes with the very best wishes of all members of the committee. We thank him for his very substantial contribution to the work of the committee throughout this year.

I would also like to put on the record my thanks to the many members of the committee who have worked very diligently and in a bipartisan manner, and I single out the deputy chair, the member for Paterson, who for good reason was unable to be at the committee meeting last week when the report was dealt with. I know he has some matters that he wishes to place before the parliament and I am very pleased that he will have that opportunity this evening. I, and I know other members of the committee, have certainly appreciated his constructive contribution. It is one of those committees of the parliament that I think works in the genuine best interests of national interest. We would like to think all committees do but I guess from time to time it does not always work out that way.

In the couple of minutes that are available to address the many issues contained in this report I want to focus in particular on those matters that were the subject of committee recommendations. The committee report does include other areas where the committee has made determinations and these are findings or decisions that the committee has taken about future courses of action, and I commend those also to the reading of members in this House and to people outside.

There are five specific recommendations which deal with matters of some significance, I think, that deserve particular mention. The first recommendation contained in the report goes to the need for defence industry capability to be considered in the acquisition program that Defence undertakes. Defence procurement is a major economic activity within this nation. It happens to be very much at the core of our national security and it is important that we structure that within the constraints of our security requirements to avoid the peaks and troughs that sometimes plague our Australian industry development, and recommendation 1 goes to that matter.

Recommendation 2 is perhaps the most important consideration before the committee because it deals with what will become the single most expensive and, arguably, the single most important acquisition that the Commonwealth will have made ever, and that is the acquisition of our replacement aircraft. The recommendation that I will read into the Hansard says:

That consideration of Australia’s future combat aircraft needs including the critical air-to-air combat role be determined by the paramount strategic importance of this capability as recognised in the 2000 White Paper. That the decision on future air combat capability be determined by the analysis of available platform capabilities against Australian strategic requirements and not be constrained by a predetermined requirement for a single platform.

The simple core of that proposition is that this acquisition is so important that it should not be constrained by some view driven purely by economics or by other considerations. We need as a nation to get this right and we need as a nation to be willing to step up to the mark, having made the decision on purely strategic grounds, to pay the bill.

The third recommendation goes to an issue of personnel. At the end of the day, it is the Australian men and women in uniform who make the difference. They are the people who defend our nation and, whilst it is our responsibility to make sure they are
properly equipped, it is our responsibility to make sure that they are also well cared for. This goes to an important recommendation recognising the unique circumstances that they face.

Finally, there are two recommendations dealing with the operation of our new Abrams tanks. The committee was very pleased to make a visit to the Northern Territory and, I think, were impressed by their inspection of facilities there. I commend the recommendations and the report. (Time expired)

Mr BALDWIN (Paterson) (9.06 pm)—I rise to speak tonight on the Joint Standing Committee on Foreign Affairs, Defence and Trade Defence Subcommittee Review of the Defence annual report 2006-2007. The committee has conducted two hearings in Canberra, made a number of visits to defence installations and secured private briefings to make sure that we, as a committee, are able to understand the intrinsic peculiarities of the Department of Defence, and the Australian Defence Force and its outstanding ADF personnel, who serve our nation so well. In reviewing the annual report, the committee had to confine its inquiries to a relatively small area of investigation by Defence standards. The committee, of which I have the privilege to be deputy chair, has made five recommendations in the report to the government, which have been canvassed by the chair, Arch Bevis, tonight.

In the limited time available to me tonight I would like to elaborate on recommendation 3. The committee visited Robertson Barracks on 7 May where we engaged with Defence families at the base family centre. It was clear from the discussions with the families that there was a lack of understanding of the system of utilising the remote locality leave travel entitlements available to them on a remote posting and of the effects of the reportable fringe benefit on their individual circumstances. We were advised by several spouses of a Robertson Barracks spouse group that they ‘could not afford’ to take the remote locality leave travel entitlement because it reduced the amount of the family payment they received, which they could not do without.

It is unfortunate that I was unable to attend last week’s Defence Subcommittee meeting; otherwise, I would have put forward a recommendation to the committee that the government develop a user-friendly web based calculator that would allow Defence personnel and their family to better understand the impacts of the reportable fringe benefit arising from using travel entitlements on their total family income, in particular family tax benefit part A or B and Child Support Agency payments. FBT reporting can result in a reduction to their financial circumstances because of the increased assessable income.

I can understand Defence’s response during the hearings that they try to provide ADF personnel with ‘simple to understand information so people can make informed choices’, but I believe that their caution in providing financial information in personal tax matters for individuals is just a little too cautious. However, my recommendation to provide a financial calculator should carry a rider that it is a guide only and that users should seek financial clarification prior to entering into any arrangement. It is not too hard to do, but it would be of great benefit to the families that serve our nation in remote locations.

I fully understand that, should the government accept the committee’s recommendation 3 that ‘Treasury exempts the remote leave travel entitlement from fringe benefits reporting’, there are a string of other entitlements that also affect the bottom line; there-
fore, the financial calculator would still be very beneficial. Between 1999 and 2007, Defence went to Treasury four times seeking exemptions for a range of benefits, one of which was remote locality leave travel. However, Treasury refused Defence the exemptions. If this is repeated, I strongly urge the government to consider greater information access via a web interface for our Defence families.

Finally, I would like to congratulate the secretariat of the Defence Subcommittee for an outstanding job this year. I particularly thank Lieutenant Colonel Paul Nothard, the Defence Adviser to the Joint Standing Committee for Foreign Affairs, Defence and Trade. His term with the committee has come to an end, and he moves on to Land Headquarters in Sydney, where he will be promoted to colonel. We wish him well in his future endeavours. I commend the report to the House.

DELEGATION REPORTS

Australian Parliamentary Delegation to Croatia and Bosnia and Herzegovina

Mr RUDDOCK (Berowra) (9.09 pm)—I present the report of the Australian Parliamentary Delegation to Croatia, Bosnia and Herzegovina from 29 September to 8 October 2008. In presenting this report may I observe that this particular delegation was led by the President of the Senate and the report has been tabled by him in another place. For this visit, I was accompanied by my colleague the member for Hindmarsh, Steve Georganas, who will speak later, as well as a number of senators accompanying the President: Senators Steve Fielding, Mark Furner, Annette Hurley and Barnaby Joyce. I might say they were excellent company. In that sense, not only was the visit very successful but one where there was a good opportunity to learn a great deal about the area and better understand it and some of the tragedies that can befall some parts of the world.

This was not the first visit I had made to the region—I had visited as a minister in 1997—but this visit certainly provided an important opportunity for the Australian parliament to renew and develop its contacts with the Croatian President, the Prime Minister, the parliament itself and local Croatian authorities. It gave a better understanding of what they have endured and a better appreciation of what they are seeking to do in the future.

Croatia has entered a period where accession to the European Union and the North Atlantic Treaty Organisation has started. These are very important developments that will help with its postwar economic development and social progress. We had an opportunity to travel and meet with important representatives in such places as Vukovar, Split and Dubrovnik, and we were able to have a good understanding of their aspirations for the future.

Unfortunately, our visit coincided with the disappearance of a young Australian backpacker, Britt Lapthorne. The leader of the delegation was briefed on the situation upon arrival in Croatia by our ambassador and attended a number of meetings with the Croatian Minister for the Interior and police authorities, and the Lapthorne family met with us. I attended a memorial service for Britt in Melbourne along with our friend the member for McEwen and also Senator Steve Fielding. We bonded very much with the family—we understood their agony. The Australian Ambassador was able to represent our Australian views, but I think the President had a good understanding of the needs of the family and worked hard to ensure that there was a good understanding that everything was being done that could possibly be done to assist.
We were, of course, the first parliamentary delegation to Bosnia and Herzegovina. We had constructive discussions with major political figures and leaders of interreligious bodies. The Court of Bosnia and Herzegovina, the body dealing with war crimes, has amongst its membership an Australian judge, David Re. We experienced much of the history and geography of the area. We had a trip to Mostar, in which we were able to visit the Centre for Children and Youth for those with special needs. This is a project that Australia has been helping with.

This was a particularly useful visit to understand the way in which they want to move forward. I would like to be able elaborate greatly on it, but I see the time is fast disappearing. My colleagues were good company and we were well served by our ambassadors, Her Excellency Tracy Reid, Australian Ambassador to Croatia, and His Excellency Peter Shannon, Australian Ambassador to Bosnia and Herzegovina. We were aided by Julia Clifford and also Christopher Reid, who helped to ensure that the delegation functioned well.

The President expressed our thanks to the Parliamentary Library for their briefings, the Parliamentary Relations Office and also HRG travel for their assistance and, like me, offered thanks to delegates for making it such a constructive visit.

Mr GEORGANAS (Hindmarsh) (9.14 pm)—I too rise to speak on the report of the Australian Parliamentary Delegation to Croatia and Bosnia and Herzegovina. I would like to add to the remarks of my colleague opposite, the member for Berowra, and say how privileged I was to be part of this delegation. It was my very first official delegation representing the Parliament of Australia. The delegation visited Croatia and Bosnia and Herzegovina from 29 September to 8 October 2008. The visit provided an opportunity for the Australian parliament to renew and develop contacts with the Croatian parliament. We also met with the Croatian President, the Prime Minister of Croatia and many local Croatian authorities. We travelled throughout the country and we gained a good understanding of Croatia’s priorities—where they are, where they want to be. Other features of the delegation’s work in Croatia included a meeting with the United Nations agencies in Zagreb. We also met with the European Commission, the Organisation for Security and Cooperation in Europe and representatives in Zagreb, as well as making visits to Vukovar, Split and Dubrovnik.

The delegation visited Bosnia and Herzegovina from 5 October to 8 October 2008. As the member for Berowra said, it was the very first official parliamentary delegation to visit Bosnia. The delegation established contact at an official level and quickly came to appreciate the very complex culture and economic situation faced by Bosnia and Herzegovina. The delegation has commenced a relationship that may realise successful bilateral exchanges in times to come. We met many interesting people—officials and politicians—and all of these people expressed how they had gone through a terrible situation in the early nineties but how they have left all that behind and are trying to make their lives far more fruitful to ensure that they can get on with their lives peacefully in a unified way. One of their aspirations is to join the EU, so we heard all about the EU and what they are trying to achieve. Certain criteria have been set up for them to achieve and they are working very hard towards achieving those goals.

The delegation expresses its sincere thanks to those involved in Croatia and Bosnia and Herzegovina for making the visit such a beneficial and memorable one. The delegation recorded its appreciation in the report to its Croatian hosts and the parlia-
ment of Bosnia and Herzegovina and related bodies for the hospitality and the courtesy extended to us during our visit. I also join the member for Berowra in thanking my fellow members of the delegation: the leader, the Hon. John Hogg, and the deputy leader, the Hon. Philip Ruddock, who both did a sterling job in representing the delegation and the Australian parliament. Also with us on the delegation were Senator Steve Fielding, Senator Mark Furner, Senator Annette Hurley and Senator Barnaby Joyce and their spouses.

I would also like to take the opportunity to thank the secretary to the delegation, Mr Christopher Reid, who did an outstanding job, and the adviser to the President of the Senate, Ms Julia Clifford, for their cooperation and support and their preparation and hard work during the trip, which ensured that everything went smoothly. I would also like to record my thanks to the Parliamentary Relations Office, in particular, to Andrew Templeton for his administrative assistance prior to our departure from Australia and, as was mentioned earlier, to HRG travel staff for assisting with the travel itineraries. We had excellent support. It was provided in an excellent manner throughout the delegation’s visit. The Australian Ambassador to Croatia, Tracey Reid, was fantastic and so was the Australian Ambassador to Austria, who ensured that our stay in the countries of Bosnia and Croatia went smoothly.

It was very unfortunate that Britt Lathorne disappeared. The tragedy had taken place before we got there, but we did meet with her parents and with Croatian authorities to discuss the issue. It was a very sad occurrence. Unlike other members, I was unable to go to the memorial but, certainly, if I had been in Melbourne, I would have attended. I would like to thank all those involved. (Time expired)
tions. Throughout our visit the delegation received consistent appreciation for Australia’s ongoing assistance in the development of governance structures and procedures.

Throughout the delegation’s meetings we not only gained national insights but were also given the opportunity to outline Australia’s position in a number of policy areas. The significance of universal, accessible, compulsory national education as a framework basis for wider development was a critical point of interest for me. In addition, the importance of a transparent and independent public sector was discussed, as was Australia’s strong interest in sustainable development. Discussions with key government, business and non-government representatives pinpointed important areas in the protection of the environment, resources and the workforce.

Papua New Guinea is home to some of the world’s first climate refugees—the Carteret Islanders, who have been relocated to Bougainville as their islands have been rendered uninhabitable by global warming. Our work in Papua New Guinea and East Timor included visits to numerous AusAID projects in the law enforcement, education, health and HIV-AIDS sectors. The unique operating environment informed us of some of the challenges faced by AusAID and other agencies. It is clear that AusAID’s development work in countless areas is warmly received and is in the interests of both Australia and the region more broadly.

Another critical element of success that I noticed, particularly whilst visiting East Timor, was a high level of optimism. This is a testament to the commitment of the nation’s people and to leadership—and we were able to meet with East Timor’s leaders—and is a clear indicator that effective development outcomes are bolstering future advancements. I particularly enjoyed our visit to Aileu District, with which my local council, the City of Moreland, and the neighbouring City of Hume, have strong ties.

Visits to Australian war history sites in both countries and current Australian Defence and police contingents in East Timor reminded us of Australia’s significant shared military history with close and allied neighbours. Meeting with officers and troops posted to each nation gave us insights into the difficult conditions under which Australian contingents operate. Their success is a testament to the dedication and training of the men and women of the Australian defence forces and the Australian Federal Police.

On behalf of the delegation, I would like to thank the officers in the respective country missions of Papua New Guinea and East Timor. Their effort and cooperation ensured that this was a productive and beneficial delegation. Particular thanks go to Mr Chris Moraitis, Australian High Commissioner to Papua New Guinea, and Mr Peter Heyward, Australian Ambassador for Timor-Leste. These officers and their colleagues provided extensive support to the delegation. I also extend my thanks to the other members of the delegation—the deputy leader, Mrs Louise Markus MP, Senator Michaelia Cash and Mr Brett Raguse MP—for their hard work and cooperation in ensuring the success of the visit. I thank Ms Fiona Way in the Parliamentary Relations Office for her efforts leading up to the visit, and the delegation secretary, Ms Roberta Molson, for her first-class assistance throughout the delegation.

Mrs MARKUS (Greenway) (9.25 pm)—It is with great pleasure that I rise tonight to speak on the report of the Australian parliamentary delegation to Papua New Guinea and Timor-Leste and to concur with my colleague the member for Wills. We indeed have a close relationship and close ties with
both Papua New Guinea and Timor-Leste. It is important, particularly in view of Timor-Leste’s recent independence, that we continue to strengthen those ties and support that strengthening democracy. It is also important that we continue to contribute towards not just the development of Timor-Leste but also the provision of security assistance. Both democracies, while different and unique for various reasons, are developing, and it is important that the parliamentary ties between their parliaments and ours continue to be built.

The aims of the delegation, I would like to say, were reached. We aimed to strengthen those parliamentary ties. Meetings not just with parliament but also with government departments, with many businesses and with non-government sectors gave both PNG and Timor-Leste—and also the Australian delegation—an opportunity to understand the context in which we work. It enhanced our understanding of the several cultures. Papua New Guinea, for example, has 854 different languages and as many different cultural groups. Timor-Leste, while more homogeneous, certainly has a sense of unity and is very positive, as the member for Wills has noted, and optimistic about their future.

I turn to other aspects of the delegation’s work. For example, in Papua New Guinea, there were visits to several AusAID funded programs. We also visited organisations, departments and non-government sectors that were dealing with law enforcement, education, health, HIV and AIDS issues. Some of those organisations included the Alotau Police Station, the Hohola Youth Development Centre, Hagita Secondary School, Alotau Hospital and the PNG StopAIDS program. Each represented very well the impact of AusAID. Alotau Hospital, for example, was very impressive. AusAID funds have been able to provide a well-fitted-out maternity ward, and this saves not just women’s lives but also children’s. Mortality is quite high in PNG, particularly for mothers who are giving birth.

The delegation also noted the advancement made by Timor-Leste since independence and, as noted earlier, its optimism. AusAID has been involved in improving several things in Timor-Leste, including education, employment, health, food security, infrastructure and agriculture. It was noted by anybody we met that our assistance was most welcome. Both these nations are important not just to Australia but also to our region.

Another important focus of our visit was on Australia’s war history, and I would particularly like to thank the officers of the missions in both PNG and Timor-Leste for their assistance. I will just focus momentarily on the war history of both nations. Australia has been heavily involved in both nations with regard to this. For example, Australia’s military history with PNG is extensive. Nearly 6,000 Australians were expected to visit not only the historic Kokoda Track in 2008 but also many other places throughout Papua New Guinea. The same applies to Timor-Leste, with Australian involvement both during the Second World War and more recently, and there are a number of memorials which we were able to visit.

I would like to thank the delegation leader, Kelvin Thomson, and Senator Michaelia Cash and Mr Brett Raguse. We worked very much as a team, and it was very informative. We have invited delegations from both countries to come to Australia, and we are looking forward to that. (Time expired)

ADJOURNMENT

The SPEAKER—Order! It being 9.30 pm, I propose the question:

That the House do now adjourn.
This evening it is my melancholy duty to talk about the rushed and bungled way in which the Minister for the Environment, Heritage and the Arts, Peter Garrett, has completely mishandled the closure of the Australian National Academy of Music. I rise tonight because of the coalition’s absolute commitment to making sure that institutions of excellence, such as the Australian National Academy of Music, remain open as elite training institutions for some of Australia’s best and brightest. The coalition remains steadfastly by those students and staff who choose to study at the Australian National Academy of Music because we fundamentally believe that these kinds of elite institutions have a place in Australian society not only to ensure that we showcase the best and brightest of Australian students to the world but also to ensure that young Aussie kids have access to the very best that musical performance, when it comes to classical performance, can provide.

It is not a view that is held purely on this side of the House, because I know there are members on the other side of the chamber, members of the government, who have broken ranks with the minister on this very poor decision to close the National Academy of Music. It is not only the coalition that is worked up about this decision but also to ensure that young Aussie kids have access to the very best that musical performance, can provide.

These questions need to be answered by this minister and I urge him to come into the House and address these questions. What conversation, if any, has taken place between the minister’s office and the Prime Minister’s office? The decision to transfer the Australian National Academy of Music to the University of Melbourne is somehow strangely linked, we suspect, to the very close friendship between the Prime Minister and the University of Melbourne Vice-Chancellor, Glyn Davis. We know they co-chaired the 2020 Summit and I have been asking for weeks for the minister to make this relationship clear and to explain whether or not the Prime Minister personally intervened in this decision. This is the chamber in which to answer that question. It is time that not only the opposition but also those nearly 11,000 people who have signed the petition got an answer to those questions, because people are upset by this government’s decision.

In addition to that, when we look at the rationale and the very haphazard way in which the minister has approached this decision which, in my view, was not made in good
faith, you would have to question the ration-
ale for the closure. The coalition remains
committed to ANAM. We know that the cur-
current artistic director at ANAM, Brett Dean,
won the 2009 Grawemeyer award for his
violin concerto. We know that there is a se-
ries of excellence. Mr Speaker, you do not
have to take my word for it. In a media re-
lease released only days ago, the minister
said:

In discussion with the University of Melbourne
and having heard the concerns of students of the
Academy I am also pleased to announce today
that the new performance and training centre will
retain the name Australian National Academy of
Music, with all of its connotations of excellence.
The question is: why has the minister done
this? What relationship exists between the
Prime Minister, the minister and the Univer-
sity of Melbourne Vice-Chancellor, Glyn
Davis? Why will the minister not come
clean? And why will those on the govern-
ment benches, like the member for Mel-
bourne Ports and other members who are in
the chamber this evening, not stand up for
what they know is the right decision? (Time
expired)

Death Penalty

Ms PARKE (Fremantle) (9.35 pm)—Why
is it that blank bullets are distributed among
the Indonesian firing squad, leaving each
member of the squad with the hope that it
was not their bullet that exploded the heart of
the condemned tied to a stake? Why is it that,
when dealing with the 1994 genocide in
Rwanda that killed over 800,000 people or
the Srebencica massacre of 1995 in which
8,000 men and boys were killed—which was
just one incident in the course of the war in
the Balkans—or the conflict in Darfur in
which it is estimated that at least 300,000
people have been killed since 2003, the in-
ternational tribunals responsible for ensuring
that the perpetrators of these massive atroci-
ties are brought to justice have all forswn

the death penalty? Why is it that an increas-
ing number of countries are abolishing the
death penalty or never using it? It is contrary
to our shared human values of respect for life
for the state to plan and calculate the termi-
nation of life regardless of the nature of the
crime or the nationality of the perpetrator.
Amnesty International describes the death
penalty as:

... the ultimate, irreversible denial of human rights
... created by a system riddled with economic and
racial bias and tainted by human error.
The death penalty is a cruel and unusual punish-
ment, as described by Geoffrey Robertson
QC:
The brooding horror of contemplating one’s own
death, alternating between hope and despair over
a period of years, in a specially sterile environ-
ment and in the company of other men who are
also liable to be taken out and executed, creates
what the European Court describes as a "death
row phenomenon"—a trauma which exceeds the
severity threshold imposed by human rights law.
As it is irrevocable once carried out, the
death penalty cannot allow for mistakes in
law or fact to be corrected. So many innocent
people have been executed over the centu-
ries. The death penalty is often applied to
offences in one country or time that would
not attract the death penalty in another coun-
try or time—so many different standards
depending on geography and generation.
The death penalty is often applied to one
person and not applied to another in identical
circumstances. The arbitrariness in such dis-
crimination is terrifying. As observed by Fa-
ther Frank Brennan in the Age newspaper on
30 July 2008:

Scott Rush does not deserve to die. He did not
commit the worst of offences. He has been arbi-
trarily singled out for the death sentence by the
Indonesian courts with his three accomplice drug
mules having been given life sentences or 20
years imprisonment. His criminal act, if success-
fully executed, would have caused direct harm in
Australia rather than in Indonesia. Our courts would probably have imposed a 10 year sentence with a minimum of five years to serve.

While the death penalty as a deterrent is often cited by governments as a principal tool in the fight against terrorism or drug trafficking, it has never been demonstrated to deter crime more effectively than other forms of punishment. And the death penalty does not allow for the possibility of redemption. People often make mistakes or wrong choices in life, especially young people, but where the death penalty applies they cannot live to regret their mistakes or make it up to society for the wrong choices they have made. This is why as Australia celebrates the 60th anniversary of the Universal Declaration of Human Rights on 10 December it is important to focus on the pre-eminent human right—

the right to life.

Today Colin McDonald QC and John North, solicitor, visited the parliament. They are the lawyers for Scott Rush, one of the young Australians in the death tower in Indonesia. They spoke of several practical measures the Australian government could take. Firstly, as a signatory to the UN’s Second Optional Protocol to the International Covenant on Civil and Political Rights, which is aimed at the universal abolition of the death penalty, Australia should legislate to incorporate its international undertakings into domestic law. They said, ‘This would prevent any government in Australia in the future from reintroducing the death penalty, and it would ensure that the exposure of an Australian citizen to the death penalty would be a relevant consideration in administrative decision making.’

Secondly, the government should ensure that the Australian Federal Police will not intentionally and predictably expose Australian citizens to the death penalty in AFP operations, including in informal cooperation with foreign law enforcement agencies. Further, Australian political leaders should speak out against the death penalty in all cases. Australia will this year cosponsor a resolution in the UN General Assembly seeking a global moratorium on capital punishment, as it has done in previous years. We could also forge a regional understanding whereby citizens from abolitionist countries can have their death sentences commuted.

Finally, we can seek to advance the recommendations of the Indonesian constitutional court on 30 October 2007 in paragraph 3.26 of the majority reasoning in the official English translation, in particular subparagraph (b), which says that the death penalty should be able to be imposed with a probation period of 10 years so that, in a case where a prisoner shows good behaviour, it can be amended to a life-long sentence or imprisonment for 20 years. To stand for life and human dignity and to eschew violent retribution, even when one has the power to carry it out, is the mark of civilisation. (Time expired)

Child Care

Mrs MIRABELLA (Indi) (9.40 pm)—I rise tonight to detail several of the issues that remain unanswered by the Rudd government following the collapse of ABC Learning in late October. At the outset, I want to commend the receivers for last week delivering what the government could not—that is, peace of mind for around 70 per cent of families attending ABC Centres. Having named those 656 ABC Learning centres that will remain open in 2009, the receiver has helped provide certainty for those families as the busy Christmas-New Year period approaches.

However, there are tonight many thousands of families—including our hardworking defence personnel—who do not know what the fate of their ABC Learning centre will be. Their centre is one of the 386 centres
that have been named as ‘subject to further operational review’, which means these families face a further wait and may indeed have to scramble for care when the government guarantee runs out at the end of this month. The government has even refused to outline what plans it has in respect of centres with whom the Department of Defence has a contract—all of which are on the doubtful list.

I know that the Deputy Prime Minister has a superportfolio, but this is a very concerning issue for many Australian families and they deserve a minister who is focused on their concerns. If the job is too big for her, she should give it to someone who cares to pay more attention to it. I have to say, I am more than a little dismayed at the hands-off approach that the Deputy Prime Minister has taken on the issue, which is only outdone by the disappearing act of the Parliamentary Secretary for Early Education and Childcare, who has been completely AWOL. The fact is that the Deputy Prime Minister promised back in September that the government was hard at work on a contingency plan for the industry in the event of ABC’s collapse. But two months and a whole industry in upheaval later, we are yet to see anything that resembles a long-term plan. Either there was never a plan or it is a state secret.

Having met with many industry representatives from both the not-for-profit and private childcare sectors over the past few months, I know there is a growing sense of frustration with the government’s response to this crisis. There is an increasing suspicion that, rather than seizing the opportunity to create meaningful reform in the childcare sector, the government is going to leave ABC Learning to the receivers and put reform in the too-hard basket. It is hard to believe that the government is genuinely looking to the future on this issue when it has failed to even provide the most basic data needed to plan for the future.

The most common frustration I have found within the industry is that getting reliable, accurate data on demand hot spots or areas of oversupply is near impossible. We have the absurd situation where the government now has both a hotline and a website—both of which provide advice to parents on local availability—but we have no big picture on vacancy rates nationwide. It is a telling indictment of the Rudd government that the last reporting of national childcare vacancies was on 19 April 2007 by former families minister, Mal Brough. That report showed between 113,000 and 139,000 vacancies each weekday across all forms of child care.

In planning for the future of the childcare industry, we have to start with the basics. Reliable data on supply and demand is vital. All childcare centres are required to report their vacancies to the government each week. The minister is telling the industry to make expressions-of-interest applications on ABC Learning centres, but there is no clear picture on supply and demand in any region. We have the strange situation revealed by the union today where some of the 385 ABC Learning centres that could possibly close next year have 100 per cent occupancy rates. Conversely, there are many council-run centres that have thousands on their waiting lists while many nearby operators are reporting huge vacancies. It turns out that many of the people on these lists already have child care but would prefer to move to a particular centre. On top of all of this, we have the government pledging to build 260 new childcare centres around the country but refusing to say on what basis they determined the need to build a particular centre.
Monday, 1 December 2008   HOUSE OF REPRESENTATIVES  11985

It really beggars belief that the government are spending $114 million over the next four years to build 30 new childcare centres when we have over 300 centres that are currently operating now facing closure. The minister ought to fully review Labor’s election promise to build 260 new centres. If it does not work in the new childcare climate, why pursue such an expensive, ideologically driven policy? If they have information on the data where hot spots do require government assistance to build centres, they should reveal this information immediately. As a bottom line starting basis, they have to come clean and reveal data on childcare vacancies across the nation. In opposition, the ALP made all sorts of claims about childcare shortages and called on the government to release vacancy—(Time expired)

Education

Mr GEORGANAS (Hindmarsh) (9.45 pm)—It is imperative for the future of Australia and Australia’s next generation that we recognise the need to invest in education and improving the skills of all Australians. We need to invest in education and skills, whether it be for a young child at school or for a mature person wanting to return to the workforce. That is why the outcomes of the 24th COAG meeting this weekend are so significant. Many of the reforms were agreed upon and are about improving health and education and training outcomes. Significant additional resources were allocated to these areas.

For over a decade, the Howard government showed a complete lack of commitment to investing in the future education and skills of Australians. Australians saw a need for long-term strategic policymaking—and that is what they voted for in electing a Rudd Labor government. It is common sense. The more you invest in education, skills and training, the more you invest in your country’s future. We owe it to young people to give them the best possible start in life. The Australian government has made a commitment to provide educational avenues to all young Australians so that they can achieve their very best. There are many schools within my electorate of Hindmarsh that will benefit from this weekend’s announcement.

We need to be aware that young people in the many schools in our neighbourhoods need resources so that they are able to make choices to help them be successful and productive members of our society. COAG agreed that every child needs access to high-quality education and training, starting from an early age. The new agreements for education and skills and workforce development set out reform directions, specific deliverables and roles and responsibilities. Under these agreements the Commonwealth and the states will work in partnership to lift the quality of education and training and target resources to where they are most needed. Government primary schools will receive an additional $635 million over the next four years as part of the new national education agreement.

Primary schools play a crucial role in preparing young Australians for the future. Until now, primary schools received a smaller proportion of funding per student than government secondary schools. From 1 January 2009, this inequity will be abolished and funding for government primary schools will be increased. This will see an increase of around $100 per primary school student each year for the four years of the new national education agreement. The new agreement has been developed with the objectives of improved attendance and engagement in school and improved literacy and numeracy performance. Australia will have world-class school performance measurement and reporting, designed to suit the needs of the Australian community and drawing on the experi-
ence of other countries. Primary schools will also benefit from additional funds of $550 million to improve teaching, $540 million for literacy and numeracy, and $1.1 billion for disadvantaged schools.

Primary school represents a crucial stage of learning and developing knowledge and attitudes to learning that will shape future life chances. The Australian government will also invest more than $2 billion in the digital education revolution, after agreeing to provide a further $807 million to states and territories for legitimate on-costs. The additional funding will be paid before the end of the 2008-09 financial year. This funding will cover the legitimate on-costs incurred for computers purchased through round 1 as well as future on-costs associated with subsequent rounds. The Rudd Labor government established the National Secondary School Computer Fund to bring our classrooms into the 21st century. The digital education revolution will ensure Australian students are equipped with the tools they need for the workforce of today and tomorrow.

COAG agreed that addressing educational disadvantage arising from low socioeconomic status requires sustained effort involving a whole suite of reforms to fundamentally transform the way schooling takes place. This new low SES school communities funding agreed by COAG directly addresses this challenge. Through this seven-year national partnership, the Commonwealth will provide $1.5 billion over seven years to address the needs of disadvantaged schools. This funding will support significant reform initiatives in about 1,500 schools in low socioeconomic status communities.

The Rudd Labor government is determined to tackle the challenges of education needs in Australia. This is across the board, from early childhood to high school to trades training. All Australian children should be given the opportunity for quality education. This government is delivering on that commitment.

Cowper Electorate: North Coast Area Health Service

Mr HARTSUUKER (Cowper) (9.50 pm)—Despite the best efforts of a dedicated staff, the North Coast Area Health Service has been buckling under the strain of inadequate resources for too long. A rapidly-growing population, an ageing population and inadequate resources—it is a formula for failure in a health system. It is beyond belief that the North Coast Area Health Service will cut 400 staff from its workforce in coming months. Where is the spare capacity in the system? Where are the empty beds that are not required? Where are the empty seats in the emergency rooms? The simple reality is that we have a system working beyond breaking point—a system that is about to be further degraded.

In an Orwellian twist, the North Coast Area Health Service is claiming that these cuts will allow them to treat more patients and somehow deliver better services. How do you treat more patients with fewer nurses? It is a simple question. How do you have a cleaner hospital with fewer cleaners? How do you have a better-maintained facility with fewer maintenance staff? It is clear that it is nothing but the spin of the ‘Hollowmen’. Such statements are an insult to the people of the North Coast.

Under the arrangements agreed with COAG, we have the promise of an additional $750 million for emergency departments; $1.1 billion to train more doctors, nurses and other health professionals; $500 million for more sub-acute beds; $448 million for preventative health measures and an additional $806 million for improved Indigenous health outcomes. I would hope that part of this new funding can be used to prevent the loss of
400 jobs which is currently planned by the North Coast Area Health Service. Why should the health service go through the disruption of reducing the workforce with these additional resources in the pipeline? Step 1 in achieving better health outcomes is to stop taking resources away. These job cuts must stop. These services must be improved and not degraded.

On Saturday, we saw rallies held on the North Coast at Coffs Harbour, Grafton and Maclean. Hundreds of people turned out at these hospitals to voice their disapproval at the proposed job cuts—these were local people supporting their local hospitals. It is a shame that the North Coast Area Health Service is not supporting local hospitals. Local people appreciate the hard work of dedicated staff. Apparently, the health service does not. Local people want a quality hospital that is clean and well maintained. That appears not to be a priority for the North Coast Area Health Service.

I would like to commend the hard work of state members Steve Cansdell and Andrew Fraser for holding these rallies and, with the help of the local community, for holding the state government to account for the failures of the North Coast Area Health Service and the failures of the New South Wales health system.

The Prime Minister said that on health the buck stopped with him. The opportunity now exists for the Prime Minister to turn his rhetoric into action by calling on the New South Wales state government to bring to an end the proposal to cut jobs on the North Coast. The people of the North Coast deserve better; all Australians deserve better.

A state government is morally bankrupt as well as politically bankrupt when it attempts to charge patients for life-giving blood. In NSW, that is the depth to which this government has stooped. There is not much lower you can go. Such is the state of affairs in NSW. It is bad enough that our health services have been under resourced for so long but let us not make the situation worse by further job cuts on the North Coast.

Vietnamese Australians

Mr CLARE (Blaxland) (9.54 pm)—As a young boy at Cabramatta Public School I remember that every week there was a new classmate, a different voice, a different language and different stories about boats, choppy seas and war: boatpeople from Vietnam who fled their home in the hope of a better life. Many of these children are now doctors, lawyers or engineers, making a life that their parents dreamed of and making Australia a better place to live.

Blaxland is one of the most culturally diverse places in Australia. It is home to people from more than 130 different countries. More Vietnamese Australians live here than anywhere else in the country—more than 17,000, many in Cabramatta and Bankstown—infusing the community that I represent with a precious richness and diversity.

The Vietnamese community have made an enormous contribution to Australia. Tonight, I want to recognise this contribution and the work of the men and women who represent them and Vietnamese all around the world. They have helped to create a courageous and cohesive Australia and have returned the kindness shown to them. Earlier this year, the Vietnamese Students Association held a fundraiser for St Vincent de Paul, the organisation that helped many of their parents—providing them with money, clothes and their first meal in Australia; their first friendly face. These students, the children of boat people, were repaying a debt that did not need to be repaid.

The Vietnamese community is now helping other newly arrived Vietnamese Australians, providing practical help with immigra-
tion and Centrelink advice and counselling services to help problem gamblers. The Vietnamese community is also helping Vietnamese people in Vietnam, championing their human rights and the cause of democracy; bringing to the attention of the world the persecution of political activists, Buddhist monks and Catholic priests. They are speaking out for freedom in Vietnam and for the basic rights that we enjoy here in Australia, like the right to make this speech, the right to join a political party or the right to vote in free and fair elections.

It is a community committed to helping Vietnamese all around the world: in Australia, in Vietnam and in limbo—Vietnamese without a home, stateless Vietnamese refugees trapped in Cambodia and Thailand without citizenship or rights. There was no hope for change until 1997 when a group of concerned individuals formed VOICE. Through their determination, they have given a voice to the voiceless. They have been able to resettle 2,300 stateless Vietnamese in the Philippines. Australia has already accepted 230 stateless Vietnamese. And they are still speaking for the voiceless.

In September, I organised for Phong Nguyen, Cong Le, Trang Nguyen, Reuben Saul Jahnke and Tri Vo—representatives of VOICE and the VCA—to meet with the Minister for Immigration and Citizenship to discuss the plight of the 120 stateless Vietnamese in Thailand and Cambodia—the last of the stateless Vietnamese. The minister has asked the department to look into these cases, and I am grateful for that. VOICE will be holding a fundraising dinner this Thursday to raise funds to help the stateless Vietnamese in Cambodia. Unfortunately, I will not be able to attend. But I take this opportunity to wish them well and pledge my continued support.

This is a proactive community concerned about Vietnamese people everywhere. Organisations like the VCA, VSA and VOICE are at the heart of it, lead by people like Dr Tien Nguyen, Tri Vo and Phong Nguyen. They are working hard to make things better, whether it is championing human rights in Vietnam, fighting for the rights of stateless Vietnamese to find a permanent home or giving back to the organisation that helped them when they first arrived. Their efforts are worthy of praise in this place.

The promise of Australia is not embodied in a statue in New York Harbour; it is embedded in the second verse of our national anthem:

For those who’ve come across the seas
We’ve boundless plains to share;
With courage let us all combine
To advance Australia fair.

Vietnamese Australia gives proof to this verse and the organisations that represent them advance not just Australia but the rights of all Vietnamese all around the world.

**Australian National Academy of Music**

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (9.59 pm)—In light of the ill-informed and belated attacks on the policies of the Minister for the Environment, Heritage and the Arts with regard to the Australian National Academy of Music by one of the shadow Treasurers in waiting—and, if the House is not clear who that is, that is the member for Moncrieff, to be precise—there is sensible information on the topic of the Australian National Academy of Music which needs to be added to the discussion about the Rudd government’s ongoing support for elite-level classical music training.

On 18 November, the Minister for the Environment, Heritage and the Arts announced that Australian government funding of up to
$2.5 million annually will be provided for revitalised elite-level classical music performance and the training centre operating in conjunction with the University of Melbourne Faculty of the VCA and Music. The new centre will retain the Australian National Academy of Music, ANAM, name in order to build upon the artistic achievements of ANAM and will commence training—

The SPEAKER—Order! It being 10 pm, the debate is interrupted.

Mr SHORTEN—Mr Speaker, I require that the debate be extended.

The SPEAKER—The debate may continue.

Mr SHORTEN—Despite the inaccurate and misleading reports to the contrary by the member for Moncrieff, the Rudd government is committed to ensuring continuity of training for students in the interim. On Friday last, the Minister for the Environment, Heritage and the Arts announced additional funding of half a million dollars to boost performance training during the transition to the new program. In addition, a working group, comprising representatives from ANAM, the University of Melbourne and the Australian government, will continue to work to develop the transition.

If Australia is to remain internationally competitive, a strong multidisciplinary and comprehensive program is needed, linked to an academic environment and integrated into a professional arts precinct. Accordingly, the university has appointed a professional advisory board comprising leading international authorities on elite music training to develop a truly world-class training program. The advisory board includes international representatives from the leading conservatories of Paris, London, the Royal College of Music and North America, and Australian representatives: Professor Peter Roennfeldt, Director of the Queensland Conservatorium of Music and Chair of the National Council of Heads of Tertiary Music Schools; Mr Trevor Green, Managing Director of the Melbourne Symphony Orchestra; and Mr Richard Gill OAM, Artistic Director of Opera Victoria.

To meet the professional requirements of Australia’s orchestras the revitalised ANAM program will for the first time—the ‘first’ time I stress to the member for Moncrieff—offer a national professional performance program across the full range of instruments, including voice, integrally linked to the real world of professional orchestras and opera through internships and mentoring relationships. Training will be provided flexibly for a broad range of orchestral roles, including concertmaster and orchestra section principal, and will include accredited and non-accredited training individually tailored to meet the needs of students. In addition to the international class teaching and access to visiting artists, students will have access to the resources of the University of Melbourne’s new school of music and to the university’s support services and facilities. Importantly, students will not be required to pay university tuition fees and will be able to access travel and living bursaries determined on a needs basis. This will particularly assist those students who need to move from outside the Melbourne region to participate in ANAM programs. While the university works towards the formal opening of the revitalised ANAM in July 2009, transition arrangements will include the offer of a range of degree and non-degree training opportunities for students who would otherwise have expected to enrol in the ANAM program in 2009.

It is important to put these developments on the record in light of some of the myths and filibuster which emerged during the adjournment debate from the member for Moncrieff. The university is working to individually tailor the best training options for each
student during the transition period. As at 27 November more than half of the 2009 ANAM intake had approached the university regarding their training options for 2009. With regard to the future for current ANAM staff, the university is ready to offer placements to the three musical teaching staff and has confirmed that ANAM administrative staff will be considered as part of the regular recruitment process.

The University of Melbourne is currently investigating additional space to be made available to house practice and ensemble requirements during the transition. The Australian government has agreed to assist. The Rudd government understands and respects the views of those who are concerned about its decisions relating to the delivery of elite-level classical music training in Australia. It should be clear that the decisions have stemmed from the need to implement a number of reforms recommended in two independent reviews undertaken between 2005 and 2006. These issues included the need for ANAM to enhance national leadership and improve collaboration across the elite music training sector, to improve the national reach of its training program and to implement a rational approach to bursaries and travel scholarships. The Rudd government believes that the revitalised Australian National Academy of Music will deliver comprehensive elite-level, professional performance training programs that respond flexibly to the training needs of our most talented young musicians and connect strongly to orchestras and the Australian classical music sector.

House adjourned at 10.05 pm

NOTICES

The following notice was given:

Mr Rudd to move—

That the House:

(1) notes that 10 December 2008 is the sixtieth anniversary of the adoption by the United Nations General Assembly of the Universal Declaration of Human Rights;

(2) recalls that the adoption of the Declaration was a response to the suffering of those who had experienced human rights violations, especially the ‘barbarous acts’ perpetrated during World War II;

(3) recognises that whilst significant progress has been made in promoting and protecting human rights since the Declaration was adopted, human rights violations have continued to occur;

(4) acknowledges the valuable contribution of Australians who played a role in the development and adoption of this important instrument of international law and who, since then, have contributed to its implementation; and

(5) affirms the principles in the Universal Declaration of Human Rights and emphasises its commitment to those principles.
Monday, 1 December 2008

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 11.00 am.

NATION-BUILDING FUNDS BILL 2008

Cognate bills:

NATION-BUILDING FUNDS (CONSEQUENTIAL AMENDMENTS) BILL 2008

COAG REFORM FUND BILL 2008

Second Reading

Debate resumed from 27 November, on motion by Mr Tanner:

That this bill be now read a second time.

Ms REA (Bonner) (11.00 am)—I rise to add my voice of support to this suite of legislation before the parliament today. Through the funds established under the Nation-building Funds Bill 2008, the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008, the government is honouring its very strong commitments both throughout the election campaign and indeed over its first 12 months in office to invest in critical infrastructure within this country—not just physical infrastructure but also those very important areas of health and education. What is significant is that not only do we see those commitments being honoured through the establishment of these funds; this legislation effectively demonstrates that we are looking at a whole new way of doing business. This is about building significant partnerships with state governments, local governments, the private sector and the community to deliver very much needed infrastructure and to invest in those areas of community and social service that are most important in our country.

These measures have been put forward at a time when it is most critical. Whilst the government always had a commitment to ending the blame game, building partnerships with state governments and honouring that special place that local government holds within this country, the government not only is investing in health and education but is bringing forward spending—in fact, increasing spending—when the economy and therefore, most importantly, Australian households and families most need to be buffered against what is possibly the most significant global financial crisis that any of us have ever seen. So I am really proud to support this legislation because it does both of those things. I am particularly proud that the government puts particular emphasis on the funding of infrastructure through the Building Australia Fund, the funding of education through the Education Investment Fund and the funding of health through the Health and Hospitals Fund. All of this brings together through the COAG Reform Fund a new way of doing business with the states that brings to an end the blame game. It is not about passing the buck or pointing the finger; it is about investing where it is needed. Of course, as we know, the real winners out of this legislation will be the Australian people. No longer will they be part of the buck passing and the political football that gets played between different levels of government; this time they will actually be the beneficiaries of investment as a result of the partnership of those levels of government.

It is also important, as I said, that we recognise this legislative package in the context of the financial situation that we are in at the moment. We must understand that it is important to bring forward spending to invest in the infrastructure that enables business to continue to
prosper and grow. It is very important that we invest in the long-term education of our work-
force and our children. By providing critical services and increasing spending on health and
hospitals, not only do we provide much needed services to the Australian community but we
provide the jobs and investment that, hopefully, will buffer us and place us in a much better
position than many of our Western counterparts at this critical time.

I am also pleased that we have seen a commitment, as a result of COAG reforms and the
nation-building funds, to local government. My past experience, prior to coming into this
House, was as a member of the Brisbane City Council for the best part of 13 years. I was most
proud to attend the local government summit called by the Prime Minister and Minister Al-
banese last week here in Canberra. I do not think anyone who has not been involved in local
government appreciates how significant that meeting was. For the first time, local government
was around the table. For the first time, in a significant gesture, there were 585 mayors of lo-
cal shires and cities across the country sitting down in the same room as almost the whole
federal cabinet, and we were talking about the issues that matter to both levels of government.
We were not pointing fingers; we were not blaming. We were actually talking about how the
funds invested by the federal government can best get to those communities that need them
and how all levels of government can work together to ensure that those funds are invested,
not just for the short-term but for the long term as well.

Of course, what I was most encouraged to see was that this legislation actually came al-
most to fruition. We put our money where our mouth is on the weekend with that historical
COAG meeting, where the Prime Minister, the cabinet and the premiers of the various states
joined together to agree to some $15.1 billion of investment across this country not only to
invest in critical infrastructure but also to ensure that the money is spent where it needs to be
spent, such as in those critical areas of health and education.

More importantly, this money will help create 133,000 jobs across this country at a time
when there is the spectre of increased unemployment, when there is the spectre of a downturn
in the economy and when there is the very real situation of a global financial crisis. We are
seeing our government, across the country, working in partnership with state governments to
assist in the creation of some 133,000 jobs. As I have already said, it is not just creating jobs
willy-nilly; it is creating jobs and investment in those areas that matter the most. Through the
national partnerships that were established on that weekend, we see $1.1 billion to train more
doctors, nurses and other health professionals. I cannot think of any other industry or area of
employment where we have such a desperate shortage of trained professionals, and here we
see $1.1 billion invested, with $500 million as a one-off contribution to deal with acute beds
for over 31,000 patients. We all know that, as a result of the lack of doctors, nurses and health
professionals, there is a lack of opportunity for people in all of our local areas.

I know that there is, particularly in my electorate of Bonner, a significant shortage of doc-
tors, which affects medical centres and weekend access. That has placed incredible pressure
on the emergency services of our public hospitals. It means that people on the weekend have
nowhere else to go but to their local hospital, which places added pressure and strain on those
already overworked facilities. Here we will have more doctors and nurses not just within our
hospitals but also hopefully working within our suburbs and local communities to provide that
after-hours service. We all know that kids do not get ear infections between 9 am and 5 pm,
Monday to Friday; they get them at all hours of the day and night, and we need the support there in our local suburbs to get professional help.

There will be $448 million to deliver preventative health measures, including reward payments to the states for meeting specified outcomes. Yet again, this is a significant step in the reform of the COAG relationship. It is a real partnership, not just an opportunity to announce funding and blame the states if it does not happen. We have set up a partnership where the money goes to the states but the states have clear outcomes and clear criteria as to how the money must be spent. They have to meet benchmarks in order to justify the funding. This is a real partnership, one that the states are prepared to sign up to, because we know that together, with the opportunities and the funding given by the federal government, those outcomes can be achieved and we can deliver to the Australian community.

One of the most significant things that happened on that weekend—again as a part of the investment out of the nation-building funds, the education reforms and the reform of COAG—was the significant commitment to education that we saw once again coming out of the Rudd government, in partnership with the states: $42.4 billion for a national education agreement. That $42.4 billion will fund a significant number of reforms and initiatives which I look forward to and fully support, but to me at the moment it is the $557 million for government primary schools that I feel most proud of. We know that, for too long, primary schools, for one reason or another, have been seen as the poor cousins of secondary schools.

We all know that a child’s primary school education is now seen as probably as significant as, if not more significant than, the education they get in secondary school. If you do not get children engaged in the learning process in year 1, then you will never get them by year 10. If you do not have the resources, the staff and the support for those kids through the middle years—years 3, 4 and 5—they will not be prepared for high school. And, if they enter high school behind the eight ball, it is simply too hard to catch up. For the first time we see equal funding going to primary schools. I know, having travelled around the primary schools in my electorate, how welcome that funding and that recognition of the importance of primary schools will be.

Not only is this legislation important because it establishes funds that invest in the areas where we need investment; it is important because it acknowledges that the way we deal with the global financial crisis is to boost our economy to continue to see it grow and to ensure investment in critical areas. Not only do we see it as important that we invest in our workforce and address the skills shortage that has been ignored for too long in this country; we see a whole new way of ensuring that all of that funding and that investment actually goes to the people who most need it, and that is the Australian households and families out there who are trying to make ends meet.

It is because of the relationship that this legislation establishes between all levels of government that it is so significant. I look forward to seeing the results of that across the country, but in particular in my own electorate of Bonner. I look forward to working with the minister and state members to see development of the Port of Brisbane, to encourage that incredibly fast-growing area of employment and industry within the suburbs of Bonner. It is a critical piece of infrastructure for the economy of Brisbane and indeed the whole country—it is our second-fastest growing port. I look forward to seeing infrastructure investment there in the future.
This is a far cry from the lack of investment that we have seen in the past. I think it is a real shame that, over the last three years, the only real infrastructure that the electorate of Bonner saw was the opening of a Medicare office. That was something I supported. Unfortunately it was opened by the previous government. In a previous term they had actually closed that Medicare office but they did have the foresight to reopen it. But with this legislation bringing in these funds, the relationship with the states and the partnerships with local governments, we will see a lot more than just the reopening of an essential service; we will actually see this country, this economy and our communities grow.

Mr LINDSAY (Herbert) (11.14 am)—This morning I would like to bring to the parliament’s attention what is, effectively, a reality check. That is, after only 12 months of a Labor government, under Mr Rudd and Mr Swan, Australia is less prosperous, which cannot be disputed; our economy is rapidly getting weaker, which cannot be disputed; and the outlook for Australian families and businesses is more uncertain than ever, which also cannot be disputed. When crucial decisions are needed, Rudd and Labor are panicked into taking poorly thought out responses and the Nation-building Funds Bill 2008 and cognate bills is one of them, and I will explain that during my contribution to the parliament this morning.

The government’s handling of the financial crisis worries all of us. They have actually made things worse. It must be difficult for my Labor colleagues to know and understand that things have in fact been made worse by decisions taken which have been poorly thought out. In Australia, household wealth has declined, prices continue to rise and job security is very significant on my radar. There has been a massive fall in job security. There has been a political strategy for Australia but no economic strategy.

I read Paul Kelly’s article in the Weekend Australian. Doubtless, many of my colleagues would have read the same article. Paul made the very interesting comment that, at a time when Australia is facing really tough times, the Labor Party is hell-bent on introducing legislation, currently being debated in the House of Representatives, which will see a further reduction in the security of people’s jobs. I think that is a very sobering comment from a senior journalist in the Australian press gallery.

The bill that we are discussing this morning is, by and large, funded almost entirely—

Ms Hall—Madam Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Ms AE Burke)—Is the member for Herbert willing to give way?

Mr LINDSAY—Yes, Madam Deputy Speaker.

Ms Hall—Just a point of clarification: given the statement by the member for Herbert about the legislation being discussed in the other chamber, does that mean that he still supports the previous Work Choices legislation and, if so, could he clarify that.

Mr LINDSAY—The opposition has given a commitment that it will support the bill currently before the parliament. Moving on, the bill we are debating here is funded almost entirely from the surpluses built by the previous government. The Building Australia Fund will have initial capital of $12.6 billion: $7.5 billion is from the 2007-08 budget surplus, plus there are the proceeds from T3 of $2.7 billion and the balance from the Communications Fund of $2.4 billion. The Education Investment Fund will have $8.7 billion—capital of $2.5 billion from the 2007-08 surplus, and the remainder from the closed Higher Education Endowment
The Health and Hospitals Fund will have $5 billion, which comes entirely from the 2007-08 budget surplus.

When you look at the spreadsheet on the funding for the particular elements of the funds in this bill, you find that in aggregate there is $74.7 billion from previous Howard government funds and $15 billion from the Rudd government in 2007-08. The additional funding that will be required—$14.7 billion—does not look like being available because the Rudd government has been spending the anticipated surplus, which will have evaporated by the time that that money is required. So there are certainly some question marks over the funding in this bill, and I raise those questions with the parliament this morning.

There are some problems with the legislation as well that the opposition notes. In particular—and we saw this occur with the hurried announcement of computers in schools some time ago—running costs for all the projects will have to come from the states and territories and the federal budget. Those running costs include salary costs, on-costs and, particularly, maintenance. They will be very high for health, research and education projects because of staffing, and modest to high for the transport, energy, communications and water projects. So it is okay to tell the Australian people that we are going to have this massive Nation-building Funds Bill but it is not okay to provide for the ongoing costs and the maintenance costs that will result from the expenditure of these funds.

Investments that are proposed in these funds may also replace previously planned state and territory public works for no net economic gain. I am sure my Labor colleagues will be just as concerned about that as I am. We want to see new works. We want to see the state governments fund their responsibilities. We do not want to see them dropping what they had planned and then using the federal funding in this suite of bills to pay for what is their responsibility, which of course produces no net economic gain and not a single extra job. The RBA governor has very clearly said that it is still an important fiscal measure to pass the good policy test. Poor public policy proposals should not be accepted simply because they are presented as boosting short-term aggregate demand. No-one could disagree with that, and that is why we had to ensure that there are mechanisms in the legislation to ensure that any project that is proposed passes the good policy test.

I have been very much on the public record saying that the key element that Australia faces at the moment is protecting jobs. Yes, there are issues like deficits and interest rates and inflation, but there are also the issues of families and job security. It is a double whammy if an Australian loses their job; they are unable to continue to pay taxation for the revenues of the Commonwealth of Australia but they also impose an income support burden that the government has to pay out. But, more than that, it can be very traumatic for a family’s breadwinner or breadwinners to lose their job or jobs at a time like this. This is particularly the case in my region, where we have a lot of employment in the mining industry, where people are paid very significant sums for their labour in the fly-in fly-out operations and they have geared their operations so that they have very high mortgages. With the downturn in the resources sector and the mining industry, these people are losing jobs in North Queensland and finding themselves unable to meet their very significant mortgages. That must be very traumatic for the families involved. I saw on the weekend that another company—I think it was CopperCo—was placed in receivership in North Queensland. Century Mine is certainly under some doubt in relation not to closing but to jobs losses, and there will be others in the pipeline. In fact,
many of the junior explorers have ceased exploring. So my view is that this legislation should be very much about jobs.

It will not surprise you to know, Madam Deputy Speaker, that I have a wish list for where I would like to see money that may be available under this suite of bills spent in North Queensland. In relation to health, it is really important that the 100 beds that are promised by the state government for the Townsville hospital, to be delivered in 2011, are brought forward now. We recently had the situation where a cancer patient died on a trolley in a corridor in emergency after being there for eight hours. That appals everybody. It was because there are not enough beds in the Townsville hospital. The state government has continued to promise beds and has continued to say that the problem will be fixed, but it does not get fixed. The plans are there, ready to go. The sites have been identified. This is a project that we can kickstart immediately and one that will in fact generate quite significant employment.

The second project is the mall redevelopment in Townsville. Those of you who have been to Townsville will have seen that our front door is an absolute disgrace. Tourists say, ‘How could the capital city of North Queensland have a situation where its front door is in such a terrible condition?’ So we need a contribution, hand in hand with those from state and local governments, to redevelop the mall. Those plans are ready to go. We can start construction early next year and we can get another significant employment project running.

Roads are next on my agenda, as they are on many members’ agendas, and particularly the Mount Low Parkway, which is choked to death at the moment. It needs to be three lanes. Beck Road in Condon and Kelso needs to be connected from Harveys Range Road right up to upper Kelso. It currently does not connect and it needs to be built because it provides the alternative access to Kelso. Currently the only access is Riverway Drive, and if there were some kind of major accident on Riverway Drive there would be some significant problems. We need to make Riverway Drive four lanes from Bamford Lane up to Allambie Lane to reduce the delays that are currently happening because of increased traffic on that arterial road.

Education is my next focus, and particularly our star university of the tropics in the world, James Cook University. There is an opportunity to establish a very significant mining institute there. After all, we do sit right on the very edge of the north-west minerals province, probably the most important prospective minerals province in the world. I would like to see us help James Cook establish that mining institute to lead the world in research and provide assistance to the many mining companies in the region.

There are two more things on my list. The first is the ocean terminal in Townsville. Down at the port we want to see a new cruise ship terminal/defence terminal built. When the new LHDs come on stream that Defence has currently ordered, their customer is in Townsville—the 3rd Brigade. They are the ships that take the ready deployment force in the 3rd Brigade—1st Battalion, 2nd Battalion and, soon, 3rd Battalion—to whatever trouble spot they need to go to. They take the helicopters of 5 Aviation Regiment in Townsville along with them and they need to have suitable wharf space to embark the troops, the equipment and the ammunition. A joint-use cruise ship and defence terminal makes great sense and would be a welcome addition to our city.

Finally, at the weekend I was privileged to be on Magnetic Island, which is in my constituency, off the coast of Townsville. I was talking to the islanders and the deputy mayor, who was with me, about the need to complete the Nelly Bay to Arcadia pedestrian link. It is very,
very dangerous around that headland, where the two bays are joined. It is not a large project. It is a project that has already been designed and that can be built now. They are the kinds of projects that we need out of these infrastructure funds: projects that will have lasting benefits but projects that can be built right now to get the impact that the government is seeking.

I draw the parliament’s attention to the concerns that we on this side of the House have in relation to the government not delivering, and this is in the context of this suite of bills that are before the parliament. When the Labor Party went to the last election, they said that they would deliver an education revolution, providing every Australian secondary school student in years 9 to 12 with access to their own computer at school, but this has not happened. We were told that the government had a national plan to end the buck-passing between Canberra and the states, that the blame game would be ended, but that has not happened. A classic example of that is the COAG meeting on the weekend, which was just more of the same. We have seen it all before. The premiers say, ‘We’re going to screw the Australian government for more money,’ things are done behind the scenes, it is all agreed that they will get a few more dollars and then the premiers go out and say, ‘We were very successful and we got some more money,’ but they were always going to get it in the first place.

The Rudd government promised to take responsibility for fixing our hospital system. ‘The buck will stop with me,’ said Prime Minister Rudd, but of course it has not happened. Mr Rudd said he had a tax plan for Australia’s future, but this has not happened yet either. Mr Rudd promised to build a state-of-the-art fibre-to-the-node national broadband network, and we all know where that is at the moment and the convoluted difficulties that the government is facing by not addressing the very specific issues in a proper way. If the coalition government had been re-elected, that NBN would have been well underway by now. Mr Rudd also claimed he was an economic conservative and promised to make sure our economy delivered for working families and to have policies on the cost of living, but of course that has not happened either.

It is sort of a depressing record for the first year of the current government and one that makes me sceptical about how this bill will go when it passes through the bureaucratic system. We will support this bill with amendments in relation to transparency clauses. We are particularly interested in clauses that look after the whole-of-life asset, the financial commitments from other stakeholders who will take up payments under this bill. We will ensure that money will be spent only on projects that satisfy competitive neutrality guidelines and we will ensure that all reports to the Minister for Finance and Deregulation from the advisory boards and the Future Fund board are made public. All of that is pretty practical and common sense, and I would hope that the government will accept those amendments when they are moved—and we will all get a better outcome. I certainly hope that this suite of bills will give the economy the boost that it so desperately needs at this time.

Mr CLARE (Blaxland) (11.34 am)—My first memory of politics is my mum and dad telling me that Gough Whitlam sewered Western Sydney. Whilst we might joke about it now, it was a big issue in 1972. Neville Wran, the former Premier of New South Wales, once remarked:

It was said of Caesar Augustus that he found Rome brick and left it marble. It can be said of Gough Whitlam that he found the outer suburbs of Sydney, Melbourne and Brisbane unsewered and left them flush.
There was a lot happening around that time, but I think it is telling that what my parents remembered most about the Whitlam government was that they put sewer pipes in Western Sydney. It is a message that has stayed with me to this day. It is a message that says infrastructure matters. Sewer and water pipes matter, broadband connections matter and good roads and public transport matter. They matter because they have an impact on people’s lives, and they matter most in our cities. Paul Keating talked about this in his first speech in this place in 1969. This is what he said:

Filthy sewers and lack of adequate sanitation are reminders of the shortcomings of government generally in this country … The bulk of Australia’s population, as you all know, is concentrated in the capital cities and regional areas, yet there is less attention paid to the problems of these areas than there is to rural areas.

The sewers have been fixed but otherwise he might have been talking about the last federal government. They took the myopic view that, unless it was shifting freight or shifting votes, they did not invest in infrastructure. Sometimes they did not even know what infrastructure meant. This is what the shadow minister for finance, Joe Hockey, said about infrastructure two months ago on Steve Price’s program:

You know what the biggest investment in infrastructure is? Investing in people. Giving them tax cuts, helping them pay their bills everyday. Giving them a job. That’s what I call investing in infrastructure.

Well, no. That is not infrastructure; that is tax cuts. There is a difference. Infrastructure is things like roads, rail, ports and broadband. The last government did not believe that it was its role to provide national leadership in this area.

That is now changing, as evidenced by this legislation, the Nation-building Funds Bill 2008 and cognate bills. This legislation is about national leadership. It is about nation building. It is about improving productivity, strengthening our economy and making out cities work. In my first speech in this place I said:

Seventy per cent of Australians live in our major cities. They are the engine rooms of our economy. Improving the performance of our economy means improving the performance of our cities—making them work.

That is why the federal government needs to be investing in infrastructure. Connecting people and places is good for the economy, whether that is on the roads, on a train or in cyberspace. Unclogging our roads and our rail lines is good for the economy. Time lost has an opportunity cost—time when freight could be sitting on our shelves and not sitting on the docks, on a ship or on the roads, time when we could be with family, at school, at work or at another job.

It should not come as a surprise then that the biggest problem identified in the submissions to Infrastructure Australia was urban congestion. The congestion on our roads already costs us about $16 billion a year or two per cent of GDP. The Business Council of Australia predicts that this figure will climb to $30 billion by 2020. That is $30 billion in wasted time. That is why the Building Australia Fund is important. But, on its own, it will not fix this. It has to be coupled with a determination to improve the efficiency of existing infrastructure. It also has to leverage private sector expertise in investment.

The Westlink M7 project is a good example of what I am talking about. This is one project where the former federal government deserves praise, where it did get involved in infrastructure for a city and leveraged its investment with that of the private sector. It got involved because it is a major freight route—a Sydney bypass. But it was and is also a boon for business,
motorists and the people who live along the route. I have to declare an interest here. I worked for one of the companies behind the project—Transurban. I think it is a template for future projects. The M7 has had an enormous impact on Western Sydney. It has made Sydney’s west a better place to live and it has made it easier to get around.

It has also been a magnet for economic development. Some of Australia’s biggest companies have now relocated along its corridor. In the past three years it has created an additional 10,000 jobs in Western Sydney and generated more than $3 billion in economic development. But perhaps the importance of the M7 is best illustrated by the dramatic shift in public sentiment. During the construction of the road, Blacktown council put up signs saying ‘no orbit toll’. By the time the project had finished, they had become the project’s biggest fans. Transurban became Blacktown City Council’s corporate citizen of the year.

Roads like this make a massive contribution to our economy. Earlier this year a report from Ernst and Young found that the economic impact of Sydney’s network of motorways is greater than the economic impacts of Sydney’s Port Botany. I think we need to build more M7s, but I am not talking about motorways; I am talking about M7 type projects for our ports and intermodal terminals.

I mentioned a moment ago Port Botany. Combined with Sydney Airport it forms an economic hub that is critical to the Australian economy. Together, the port and the airport contribute tens of billions of dollars to the economy and employ more than 100,000 people. The challenge is to accommodate the enormous growth that both are expected to experience in the next few years. In the next decade both will expand dramatically. Passenger movements at Sydney Airport are expected to increase from 28 million to 60 million. The number of containers moved at Port Botany is expected to double from 1.5 million to three million. Making Sydney work means making this precinct work. It is critical then that surrounding and connecting infrastructure can support this growth. That is why a dedicated freight line is currently being built, that is why we need to widen the M5 and that is why we need to duplicate the M5 East. It is also why we need to develop an intermodal terminal at Moorebank with the support of the private sector, one of a constellation of land ports to help move freight in and around Sydney and to take trucks off our roads, particularly the ones that carry empty containers back to port. The corridor from the port and airport to Western Sydney is one of Australia’s key economic arteries. It is clogged and it needs federal help to fix it. The benefits of this will be felt by the entire country. It will make the port more productive, the transport routes more efficient, Sydney more livable and the national economy stronger.

We also need M7 type projects in our education system and our health system. That is what the $11 billion Education Investment Fund and the $10 billion hospital investment fund will do. And M7 type projects in public transport are what the Building Australia Fund will do. The former government refused point blank to even contemplate investment in public transport. This is what the current Leader of the Opposition said in 2006:

Urban public transport is unequivocally within the state governments’ bailiwick. The public know who is responsible.

My point is that by wiping your hands of responsibility you do not make the economy any stronger, you do not make the economy any more productive and you do not make your cities more productive or more livable.
I got firsthand experience of the benefits of national investment in public transport when I visited Tokyo earlier this year. Tokyo, as many members will know, is one of the biggest cities in the world. More than 12 million people live there. What surprised me was the blue sky. It had none of the smog that you might see in big cities elsewhere throughout the world. This is due in part to the success of the Tokyo public transport system. With 500 kilometres of metro rail lines, 86 per cent of trips are by rail—and the private and government operators make a profit from the fare box. It also means the city is more productive. More people get to work sooner and more people get home more quickly. It is not perfect but it does work. The scale and the density of Tokyo suit it.

Obviously you cannot compare this with Australia. We have very different cities and our populations are quite different but the key difference is national involvement, national investment in public transport, and that is what we have to do here. Already in this year’s budget the government commissioned a feasibility study into a metro link connecting the two largest CBDs in Sydney: Parramatta and the city centre. Also, studies were commissioned in Victoria and South Australia to look at how public transport could ease urban congestion. These are important things. The more efficient our public transport network is, the more productive our economy will be and the fairer it will be. Christopher Brown, the Managing Director of the Tourism and Transport Forum, made this point in the *Sydney Morning Herald*:

A young person denied the right to clean, safe and efficient transport links is the same person denied the right to education, recreation and participation in the workforce.

An elderly person denied access to transport is the same person denied access to health services and quality of life.

That is why all of the projects that the Tourism and Transport Forum have recommended in their submission to Infrastructure Australia are for funding in public transport. So the focus of government infrastructure funding is changing—and so it should—but so is the prioritising and the vetting of infrastructure projects. For the first time, this process is independent of government. The priority list that this legislation will fund is being prepared by the Infrastructure Australia Board, made up of representatives from the Commonwealth government, state governments, territory governments, local governments and, importantly, the private sector—people like Sir Rod Eddington from JP Morgan, Heather Ridout from the Australian Industry Group and Mark Birrell from Infrastructure Partnerships Australia, a former Victorian Liberal member of parliament.

They are the ones who have been given the task of developing the country’s infrastructure priority list. This has been fast-tracked by the Prime Minister. The list will be submitted to government this week and will model and prioritise projects that strengthen the economy and improve productivity. These are the criteria that a project must meet to receive funding: (1) how does it expand Australia’s productive capacity? (2) how does it build Australia’s global competitive advantage? (3) how does it develop our cities or our regions? (4) how does it reduce greenhouse gas emissions? (5) how does it improve our quality of life? This is how the projects will be judged. They will be judged on their merit rather than on their electoral margin. It is very different to the way the previous government did business. In this debate we have heard a lot about transparency and suggestions of slush funds. I have to say that it is a bit galling to hear that from the opposition, because there is no way that John Howard would ever have adopted an independent process for determining infrastructure funding. Remember the
rorts? Remember the National Audit Office report which showed that 32 projects by the previous government were approved a week before the election at two minutes before midnight? Of those 32 projects, 28 were in coalition electorates.

This process will make sure we fund projects that deliver the best return to the Australian economy, not to the member with the most marginal seat. That is why it has the support of business. Tony Shepherd, a giant of the infrastructure industry, had this to say:

The $20 billion injection into the building Australia fund is a great development of the country. Finally, at the federal level, we have a recognition of the government’s obligations in terms of the investment and development of infrastructure.

It seems to me that there are two schools of thought in this place about infrastructure: you either leave it to the state and local governments or you get in there and do the job yourself. I think the federal government should be involved. Gough Whittam did it in 1972. The big cities of the world, cities like Tokyo, work because their national governments help to fund infrastructure. The government of Japan helps to fund Tokyo’s metropolitan transport system, which carries 86 per cent of its commuters every day. There are other governments like this all around the world, and now this national government—the Rudd government—is doing the same thing. We have established a process to get the priorities right, backed with real money. That is what this legislation is about: working together with state and local governments and the private sector to fix the major arteries of our economy, to strengthen our economy and to make our cities more efficient, more productive and better places to live. For that reason, I commend the legislation the House.

Mr HAASE (Kalgoorlie) (11.48 am)—I rise to speak on the Nation-building Funds Bill 2008, cognate with the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008. The Nation-building Funds Bill establishes three funds: the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund. My colleagues and I in the coalition have had a good, close look at the Nation-building Funds Bill and the three funds which it will establish—and with good reason. These three funds are furnished in their entirety, of course, with the wealth of the Australian taxpayers but also as a result of the careful work of the former Howard government, namely the 2007-08 budget surplus, our Higher Education Endowment Fund, our Communications Fund and T3, the third tranche of the sale of Telstra.

My colleagues know, indeed all of Australia and the world know, that the Howard government looked after its fiscal responsibilities with a great deal of care. This included paying off some $96 billion of debt inherited from Labor. Labor left us a $96 billion debt and we left them a $20 billion surplus. A mere 12 months later Mr Swan and Mr Rudd are talking about deficits. I might add also that before us Labor spent 2.9 per cent of GDP on infrastructure; when we left office that figure was 5.4 per cent. No wonder then that the coalition should look very carefully at how Mr Rudd and his colleagues are planning to spend this infrastructure money. It is because of Mr Howard’s and Mr Costello’s exemplary management that this country was the envy of the rest of the world. We were initially at least able to respond to the financial downturn from a debt-free position. It is obvious who is better qualified to comment on how this money should be spent. I hope those opposite are paying close attention to what my colleagues and I have to say in relation to these bills. Perhaps they may just learn something.
One thing the coalition has noticed about nation-building funds is that something seems to be missing. Missing are a whole load of things in fact, many billions of them—dollars, that is. The Rudd-Swan government announced in the 2008 budget that there was going to be $41 billion in the nation-building funds by 1 July 2009, $14.7 billion of which was to come from the 2008-09 surplus. Then Mr Rudd and Mr Swan started to talk about a modest surplus. Now they are talking about deficits. Chris Richardson from Access Economics was quoted last week as saying the budget was probably already in deficit. With the false expectations created pre-election and the consistent diet of spin and hype ever since from this government, the immediate demand for Australia’s infrastructure is projected to be at least 10 times the amount currently held in funds.

Let’s talk about the amount that is currently in funds. The inconvenient truth is that there simply is not enough money there to begin to address the nation’s needs. Given present world financial circumstances, it does not look as if this will change in the next couple of years. There is no immediate evidence that there will be a future surplus to bump up these funds. We are told the $12.6 billion nation-building fund will take $7.5 billion from the 2007-08 budget surplus, $2.7 billion from Telstra 3 and the balance of the Communications Fund, which is a further $2.4 billion. Of course, my colleagues and I do not agree that the Communications Fund should be rolled into the nation-building fund—more details as to why shortly. The $8.7 billion education fund will take $2.5 billion from the 2007-08 surplus and $6.2 billion from the former Higher Education Endowment Fund. The $5 billion health fund is based entirely on the 2007-08 surplus. The total of $26.3 billion is simply not big enough. Running costs for the nation-building projects funded by this money will have to come from elsewhere—from state and territory budgets and from federal budgets. We know that staffing costs alone will create high running costs for health, research and education projects. There will be significant costs for transport, energy, communications and water projects. What is more worrying from our point of view is that states and territories, especially Labor states and territories, may cancel their own funding for infrastructure works and simply take the funds from their federal colleagues to do exactly the same thing.

These bills need to be amended. I said I would elaborate on why I believe the Communications Fund should not be tampered with. These bills will axe the Communications Fund and channel its $2.4 billion into the nation-building fund. This Communications Fund was set up to meet the future telecommunications technology needs of people in regional areas in perpetuity—people like those in the 2.3 million square kilometres of regional area in my electorate of Kalgoorlie. With a budget in deficit how is the government planning to upgrade regional telecommunications infrastructure when this fund is closed? Once again, Mr Rudd and Mr Swan have demonstrated—

The DEPUTY SPEAKER (Ms AE Burke)—The member for Kalgoorlie will refer to people by their appropriate titles. That is about the fourth time you have done it and I would ask you to show the office the respect it deserves.

Mr HAASE—The Prime Minister and the Treasurer have demonstrated their utter contempt and their disregard for regional, rural and remote Australians.

Another significant concern with this legislation is transparency—something that the Rudd-Swan government talks a lot about but is not prepared to demonstrate. I am very concerned that these billions of dollars will be used as a Labor slush fund to prop up marginal

MAIN COMMITTEE
seats and inept Labor governments, which is why we have flagged an amendment to insert transparency clauses requiring the public disclosure of all documentation relating to proposed projects. That means all evaluation criteria, all business cases, all cost-benefit analyses and so on. I also believe all projects should be analysed by the Productivity Commission before any money is spent and that those commissioned reports should be made public.

Determinations by the Minister for Finance and Deregulation and the Treasurer that credit money into the relevant accounts must be disallowable instruments. We must ensure that money can only be spent on projects that satisfy competitive neutrality guidelines. That is to say, the public sector should not undercut the private sector in service provision. We will also seek to ensure that both advisory and Future Fund board reports are made public. We believe project-funding decisions must make certain of financial commitments from asset owners and stakeholders to meet costs for the whole life of the asset. This is particularly important. Ongoing costs can be several times the initial capital expenditure. Finally, we must prohibit federal Labor from mimicking its New South Wales state colleagues in getting the payment of fees upfront on projects—a practice which can and would compromise many projects.

I have already said that this infrastructure funding falls far short of the amount that is needed to begin to address current infrastructure requirements. Once again, the Rudd-Swan government fails to understand and appropriately address the needs of its constituents, just as it did a couple of weeks ago when it grandly announced $300 million in local government infrastructure funding. Western Australia was promised nearly $29 million in these one-off grants. This figure falls far short of the amount needed. The Western Australian Local Government Association says there is an infrastructure backlog requiring more than $2 billion of spending, not $29 million. The Local Government Association speaks for shire councils, including those in my electorate, where one CEO told me that the grant they had been promised by Mr Rudd and Mr Albanese—that is, the Prime Minister and the minister responsible for infrastructure—is only about 10 per cent of what they need. Cheers to that mob!

The guidelines on what the infrastructure funding can be used for are far too restrictive. So the Prime Minister and the Minister for Infrastructure, Transport, Regional Development and Local Government can pat themselves on the back and congratulate each other on how generous they have been. I choose to paraphrase—

Ms Hall—Madam Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER—Is the member for Kalgoorlie willing to give way?

Mr HAASE—I would rather get on with the speech, thank you. I choose to paraphrase Jack Waterford, in the Canberra Times, who said the local government handouts ‘demonstrate the utter poverty of federal ministerial and bureaucratic ideas for coping with Australia’s infrastructure needs’. I agree. From the way the government has gone about promoting this much vaunted, much hyped and much spun nation-building legislation, it seems that the government is still well short of ideas when it comes to coping with Australia’s infrastructure needs.

The Labor government say they want to get on with the job of nation building. That is something we have heard ad nauseam from the Prime Minister and his colleagues. They have talked constantly about ending the blame game. The Treasurer even used the phrase ‘end the blame game’ twice when he spoke on the COAG Reform Fund Bill 2008 associated with this
legislation. It is such a chronic and constant refrain from Labor that the public has been led to believe that Labor mean that, by ending the blame game, they will fix all the problems—that is, that they will solve the infrastructure issues of the whole of Australia. The Rudd government’s blame game refrain has misled the Australian people into believing that the government are going to fix something, that infrastructure is a problem which can be resolved once and for all. Of course it is not. We certainly know it is not. The government appear to believe otherwise.

Infrastructure spending is an ongoing requirement for all levels of government, across many different areas. I understand that about $450 billion worth of projects have been put forward for the Building Australia Fund, about $235 billion worth of which come from the state and territory governments. Simple maths tells us that $12.6 billion of the initial—and very likely final—capital that the Building Australia Fund is being furnished with will meet less than three per cent of these infrastructure requests.

No, the government cannot do it all—not even half, not even 10 per cent—with these funds. But they appear to believe their own publicity that they can. They have been sucked in by their own spin machine and are hopelessly lost in the vortex within. In their collective naivety they seem to think they can fix infrastructure in Australia for all time. Even worse, they have led the public to believe they can—just like they led the public to believe they were interested in standing up for all Australians only to continue to make decisions that favoured city or metropolitan voters over regional Australians. There was ample evidence of that in their canning of the Communications Fund.

Those opposite have also been talking about building the long-term productive capacity of our nation. I hear today the member for Blaxland chanting about how the cities are the powerhouse of the nation. I ask him to come out of the city and look at what is happening in electorates around Australia where exports are being created and money is truly being earned for the nation’s accounts. It is a significant sounding mantra which they all repeat as earnestly as their own favourite, ‘ending the blame game’. I point out that the Kalgoorlie electorate has already made a substantial contribution in the long-term productive capacity of our nation and it has the potential to contribute even more. There are a number of projects in the Kalgoorlie electorate which are very deserving of funding and which I have strongly believed for some time are genuine nation-building projects—and which, as such, deserve priority in the expenditure of any funds.

The House has heard me extol any number of times the virtues of the Ord River irrigation area and its long overdue and urgently needed expansion to stage 2. We know the Murray Darling Basin is struggling. Every new report about it brings more bad news. After a series of very dry years the basin has little water left. And yet my colleague Mr Hunt tells me that the Victorian government is being aided and abetted by the Prime Minister in seeking to take more water from this much stressed system for the north-south pipeline.

My electorate is separated from the Murray-Darling Basin by thousands of kilometres, but it can help. In the north-west of Australia, at the top end of my electorate, the Ord River irrigation area has enormous potential for expansion. There is a secure water supply and farmers in the Ord can grow just about anything. This area really has the potential to be the new food bowl for Australia and take much of the strain off the Murray-Darling area. It has the largest and most reliable water storage in Australia, with more than 20 times the volume of Sydney
Harbour. It has the right climate and the right soils to expand into new areas very quickly. We could have crops in newly developed land there as soon as next year. Environmental approvals are in place and a native title agreement is in place. Everything is ready for expansion. The Liberal-National government in Western Australia has committed its immediate support to expanding the Ord. The Howard government promised to fund it before the last election. I accompanied my colleague the Leader of the Opposition, Mr Turnbull, on a visit to the Ord just two weeks ago. He was extremely enthusiastic about what has been done, what is being done, the potential for the future and most importantly the enthusiasm of those already living, working and producing in the Ord area.

I want to know what the Prime Minister and his government are going do about the Ord. Will they support it? Will they support the development of the area, of the Kununurra Airport and the port of Wyndham? Will they embrace the enormous potential this irrigation region has to expand, to contribute food, fibre and timber to domestic and export markets, to reduce the pressure on the Murray-Darling Basin and to build the long-term productive capacity of our nation?

Another opportunity to build Australia’s productive capacity comes through the development of more efficient transport and logistics. This is not only an opportunity for nation building; it is an opportunity for emissions reduction—something that it would seem those opposite are passionately concerned with, in theory at least. Emissions reduction is something the government seems determined to achieve even if it drives away the minerals and energy investments that helped build our economy and contributed to the very accumulation of funds that they are now planning to spend.

My home city of Kalgoorlie-Boulder is the service hub for around 60,000 people and the gold and nickel mines of the goldfields. However, we have a very inefficient situation in which the goldfields bound freight comes across from the east by rail and passes through on its way to Perth. The freight is subsequently unloaded in metropolitan Perth and then sent back to Kalgoorlie-Boulder, often by rail but mostly by road, having travelled an additional 1,200 kilometres past us and back again. It wastes time, money and resources and accumulates greenhouse emissions. A very sensible solution is to develop an intermodal transport hub right in Kalgoorlie-Boulder. This would reduce the unnecessary freight and heavy vehicle traffic through Perth and develop significant efficiencies. Under the Howard government I helped to obtain $3 million in funding to further develop this proposal. But a short-sighted—no, may I say a blind—state Labor government failed to see the benefits and chip in with their own funds.

Something that would add a great deal of value to an intermodal transport hub in Kalgoorlie would be the development of a sealed all-weather transport corridor between Kalgoorlie-Boulder, the goldfields and the town of Newman in the iron-rich Pilbara. Only about 300 kilometres of dirt road would need to be sealed to complete the link. It would have enormous benefits for the communities of both the Pilbara and Kalgoorlie-Boulder. It would mean Pilbara industries could use Kalgoorlie-Boulder as a supply and service base instead of Perth. An intermodal transport hub would improve freight efficiencies both between eastern Australia and the Pilbara and between eastern Australia and the south-east area as well as Perth itself. For the benefit of those opposite, that is real, and regional, nation building. Like the Ord, this is a project that requires support but does not require billions of dollars to realise great re-
wards and truly build Australia’s long-term productive capacity. If the Prime Minister and the minister for infrastructure and all those opposite are truly earnest about building Australia’s long-term productive capacity, and if they actually understand what that means beyond adding to the Labor fund of mantras, then they must see the merits of these projects. The government spin merchants have spun themselves into a deficit, but it is time they put some money where their mouth is and stood up for all Australians—not just those in the cities and those with state Labor governments but all Australians.

Ms RISHWORTH (Kingston) (12.07 pm)—The Rudd Labor government was elected last November on a platform of investing in the future of this nation. The previous Howard government went to the last election with a continued focus on short-term political gain and fighting ideological wars of the past. The Australian public were sick of this. They rejected that vision and adopted the Rudd Labor government’s focus on the future. During the election campaign many people raised with me their desire for a long-term plan for Australia’s future—that is, not just for next year, not just for the next electoral cycle but for the future. It was only Labor that provided that platform for the next decade and the decade after that. Since being elected, the Rudd government has got down to work on a long-term plan for this nation’s future. One critical part of setting the nation’s long-term future was set down in the 2008-09 budget. The budget not only provided much-needed relief for families, who welcomed the education tax rebate and the tax cuts, but also set up a framework for investment in the nation’s long-term future.

One of the cornerstones of this year’s budget was the creation of three investment funds to invest in infrastructure for the future: the Building Australia Fund, the Health and Hospitals Fund and the Education Investment Fund. For too many years the previous government failed to invest in critical infrastructure in these areas. But the bill before this House today, the Nation-building Funds Bill 2008—cognate with the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008—creates these three funds, which will provide significant investment for Australia’s future. Unlike under the previous government, which only had small infrastructure projects through the regional rorts program that delivered money to marginal seats, the projects that will be funded by these three investment funds will be subject to rigorous evaluation by independent advisory bodies, with the Building Australia Fund being guided by the newly created Infrastructure Australia.

The Building Australia Fund is the critical new fund that will finance capital investment in critical economic infrastructure. One of the critical projects funded by the Building Australia Fund is the national broadband network. The national broadband network is one of the largest and most important infrastructure projects that this government is embarking on. A national broadband network is critical economic infrastructure desperately needed by this country. I have spoken in the House before about the lack of effective broadband services in my seat of Kingston. That lack of infrastructure is one of the biggest barriers to improved productivity for local businesses. Whether they are local wineries, local builders or local shop owners, they all have so much difficulty in either receiving orders or getting information out because of the lack of broadband. The lack of broadband services for business is one of the key issues brought up with me time and time again. Residents of Kingston are disappointed that the previous government failed 18 times to provide effective broadband for our local area. But it is not only businesses that have problems when it comes to broadband; families also have huge
issues when it comes to broadband. Whether it is paying their bills or embarking on educa-
tion, lack of broadband is a barrier to many families in my electorate of Kingston to be able to
do all of the everyday things that many Australians take for granted.

In addition, the Building Australia Fund will invest in other critical economic infrastruc-
ture, including roads, rail and port facilities and, most importantly, for the first time this gov-
ernment will invest in urban transport. Urban congestion, clogging up our cities and roads, not
only is leading to a significant increase in carbon emissions but also is frustrating for drivers
and those trying to move goods around. Rather than putting this in the too-hard basket, as the
previous federal government did, this government is committed to working with the states to
find solutions.

Investing in critical economic infrastructure is so important. The residents of Kingston
have certainly welcomed the input into this and the creation of Infrastructure Australia. As the
local member, I have welcomed seeing that one of the projects the state government of South
Australia has requested funding from the federal government for is the extension of the rail
line from Noarlunga to Seaford. This extension will be critically important for many residents
along that passage, especially in Seaford, Seaford Meadows and Seaford Rise. We are seeing
a huge influx of new houses being developed in that area and there is very little public trans-
port. I have certainly welcomed and supported that submission by the South Australia gov-
ernment.

As I said, many of the residents of Kingston have welcomed the Building Australia Fund
but they are doubly happy at the Health and Hospital Fund. The Health and Hospital Fund
was also created as part of the budget. This fund will provide money to invest in health infra-
structure, including capital infrastructure for our hospitals and investment in medical tech-
nologies and research facilities. For too long the previous government just blamed the states
when it came to our medical infrastructure and allowed many of our medical facilities to be-
come very run down. However, this government knows that we need to make the investment
into our health system so that Australians everywhere can enjoy world class health care. In-
vesting in medical technologies and research is critical not only for the health care of Austra-
lia but also for its potential to contribute to scientific breakthroughs for the world.

The third fund is the Education Investment Fund, which will provide capital investment in
higher and vocational education and in training and research institutes. Capital investment in
education is crucial to ensuring that we continue to grow our nation’s productivity, which will
allow us to continue to enjoy economic prosperity. The creation of the Education Investment
Fund will invest in these areas. It will support capital expenditure for the renewal and refur-
bishment of Australia’s tertiary education and research institutes and will improve their capac-
ity. Many higher education institutions in and around my electorate have welcomed the crea-
tion of this fund. These institutions benefited earlier in the budget with funding of some $8
million, which they were not expecting, to improve their capital works. For 11 long years un-
der the previous government, investment in these institutions was non-existent. The previous
government just expected these institutions to do more with less. This attitude has led to many
of our institutions not having the state-of-the-art facilities and equipment needed to prepare
students for the next chapter of study and employment.

These three funds will provide critical investment in productivity growth for the future. The
creation of these funds could not come at a more critical time. Australia, along with all the
other developed and developing nations around the world, is currently facing a most significant challenge with the global financial crisis. This crisis has seen the slowing down of economies across the world, and the Rudd government have acted decisively. Part of our global security package included the announcement that the government will fast track the nation-building agenda. Fast tracking the nation-building agenda in the short term will act as a stimulus to the economy, protecting jobs and growth, and will also benefit Australia after the global financial crisis has come and gone. The benefit we will gain through productivity growth will continue well into the future. This government is committed to investing in infrastructure to increase the nation’s productivity.

As I have said, in stark contrast to the previous government, we want to work with, not against, the states and territories to build this nation. Our government, from day one, has indicated that the best way to deliver results on infrastructure is to work with all levels of government, including the states and territories and local councils. We have started this work through reforming the COAG process and through holding the inaugural meeting of the Australian Council of Local Government. The government recently announced $300 million to be delivered to local councils for local infrastructure. This has certainly been welcomed by my constituents and the councils in my seat of Kingston.

One of the bills we are debating today is the COAG Reform Fund Bill 2008. This bill will provide a mechanism to deliver financial assistance to the states and territories. This mechanism covers delivery of money from the three nation-building funds that we are debating today, from the annual appropriation and from special appropriations. The delivery of funds will be set out in written agreements that cover the terms and conditions and also set out the benchmarks that the states and territories must meet as a condition of receiving this funding. We saw on the weekend that the federal government is serious about working with the states and territories. We saw a package that will deliver to the states and territories an extra $15.1 billion investment in health, education, housing and disability services. This extra money to the states also comes with significant responsibility on the states to truly improve services in all of these areas.

We promised the Australian people at the election that we will build a nation that is equipped to deal with the challenges of the 21st century. We are committed to building our nation’s roads, rail, ports, broadband, hospitals, universities, TAFE colleges and vocational education institutions. We believe that this is the way that Australia can grow its productivity and become a more prosperous nation. We are also ending the blame game by working with the states, territories and local councils, not against them. I commend this legislation to the House.

Mr HARTSUYKER (Cowper) (12.19 pm)—by leave—It gives me great pleasure to speak in the Main Committee on the Nation-building Funds Bill 2008, the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008. During the term of the former Howard government we saw unbridled growth. We saw the economy increase in size by some 50 per cent. We saw the longest period of uninterrupted growth in the history of this nation under the stewardship of the Howard government. That situation has changed and we are now in the grip of a very significant economic slowdown. Unfortunately, during all the growth that this country enjoyed, state Labor governments neglected their responsibility to continue to invest in infrastructure. Sadly, when you look around the states, so
much of this nation’s infrastructure has been neglected and run down. So many issues in the field of infrastructure remain unresolved.

One of the really disappointing things I have seen as a member of this House since 2001 was the federal government investing in infrastructure only to have the state government at the same time take away its support for investment in infrastructure. We see no more glaring example of that more recently than with regard to the Pacific Highway. Substantial federal funds were devoted to the highway, but in the latest New South Wales state budget what did they do? Did they put their shoulder to the wheel and increase funding for this very important transport corridor? Did they ruck in behind the federal government and provide much-needed added assistance to get the highway completed as quickly as possible? No, they did not. What did they do on the issue of the Pacific Highway? They pulled $300 million in funding out of this vital transport corridor. That is $300 million of funding which would have created safer roads and provided more efficient transport of freight. That is $300 million that is desperately needed by the people I represent. So we had the federal government putting funds into the Pacific Highway at the same time as the New South Wales state government were taking funds out of it. When I look at these bills, I think that investment in infrastructure is an important issue and a good thing to do but, with sadness, I think of the fact that, just as quickly as we put the funds in at a federal level, New South Wales will be taking them out the back door. It is something that this parliament needs to guard against. We need to have performance indicators that guarantee that federal funding is matched or contributed to by state funding rather than allow incompetent and moribund state governments to pull vital funding from vital projects.

I would like to focus for a moment on the bills before the House relating to the Building Australia Fund, which relates to capital investment in transport, communications, energy and water infrastructure. The fund will be used for projects like roads, railways, urban transportation and ports. It was interesting to note in the recent budget announcements in New South Wales the potential to pull funding from the Port Waratah coal loader and the area around the port of Newcastle. For a state government to reduce funding to a port at this vital time, a time when we still have bottlenecks at our ports, just flies in the face of good sense.

The education fund will be used for capital investment in higher education infrastructure and vocational education and training. Presumably it will be funding such things as capital works at our universities and TAFEs. We also have the very important Health and Hospitals Fund. For too long state governments have run down the health infrastructure. For too long state governments have failed to build infrastructure that is vital to good health in this country. As a First World economy, a First World nation, we should not have facilities in the area of health that belong in last century and, in some cases, in the century before.

The Building Australia Fund will be made up of the remaining proceeds of the T3 sale, assets from the Communications Fund and an amount from the budget surplus, and it is important to note that these things are dependent on funding from budget surpluses. Most recently we have had D day—deficit day—the admission by the Prime Minister that we may well be, and are likely to be, heading for a deficit. So the question remains before this House: what does it mean for the future of infrastructure investment when we may be facing what has been euphemistically called a ‘temporary deficit’? What the Treasurer and the Prime Minister mean
by a ‘temporary deficit’ is yet to be defined. One thing we do know of Labor: ‘temporary’, when it comes to Labor’s deficits, can mean a long, long, long time.

One thing that really concerns me in the area of communication is the fact that part of the funding for this is coming from the former Communications Fund, a fund that was set aside not only to ensure that people who live in regional and rural Australia have access to quality technologies that are known about today but also to provide for technologies that we do not yet know exist—technologies that are to come in the future. So that begs the question: under this new regime, who is going to provide regional and rural Australia with those new technologies that it will need to be competitive and to grow and that it will need if it is going to export to the rest of the world? It is a question that remains unresolved—and it is an important question.

I know that people in my electorate are concerned about the future of their telecommunications. I know that they are wondering what is going to happen with this national broadband network. We have a situation where the Rudd Labor government was going to provide fibre to the node to 98 per cent of all Australians, at a cost of $4.7 billion. Well, now we know that it is not going to be able to meet that promise in all likelihood. The question remains: how is the Labor government going to provide fibre to the node at a cost of $4.7 billion from taxpayers’ funds, create a commercial return and deliver that to 98 per cent of the population? It appears, tragically, that it may not be able to achieve that.

The alternative to not achieving delivery of fibre to the node to 98 per cent of Australians is that they may pour in a whole lot more of taxpayers’ funding. What will be the cost of moving from, say, 90 per cent of households serviced with fibre to the node to 98 per cent? Will it be $10 billion? Is it going to be $15 billion? It would be a very significant cost blow-out from $4.7 billion if you were going to have to spend $10 billion or $15 billion to fulfil your commitment to the Australian people—an ironclad, rolled-gold guarantee to deliver fibre to the node to 98 per cent of the population. Or, to take another alternative, are they going to use some allegedly inferior technology—which is basically what they implied during the 2007 election campaign—such as wireless? During the 2007 election campaign, wireless was a bad thing. Wireless was such a bad thing that, on coming to office, they cancelled the OPEL contract, took away the access of people in regional and rural Australia to improved broadband services that were happening there and then and replaced that with a far-off promise of this mystical 98 per cent fibre to the node to be delivered in five years—or perhaps eight years, depending on where you live. Who is going to miss out and how long they are going to miss out for is still to be determined.

We have got Senator Conroy over in the Senate performing backflips with pike, trying to pull together a process that is obviously failing and trying to get the government out of a jam because they made some promises that they were unable to fulfil. The tenders have come in. They are not getting the sorts of results they were looking for. Telstra put in a non-conforming bid. Where is this process leading? I can tell you: it is leading to long and protracted delays for people in regional and rural areas in getting access to the sorts of telecommunications services they need to run their businesses, their hospitals and their schools. It is all out there in the ether. Kevin Rudd and his government are big on spin. The hollow men are out there; the publicity and spin machine is working double time to hide the fact that they are not going to be able to deliver.
Health is vitally important, and you have to give credit where credit is due: I will commend the Rudd Labor government on the Health and Hospitals Fund. I think that is a very good initiative. I regret the fact that much of these funds are going to have to be used due to the neglect of state Labor administrations. But it is a welcome step in the right direction.

In my electorate there is no greater need than for an upgrade to hospitals, particularly in Kempsey. Kempsey District Hospital is in desperate need of an upgrade. A recent OH&S report on Kempsey hospital said it was a good hospital run by dedicated staff, but it has infrastructure that belongs in another age—infrastructure that is not 21st century. It is infrastructure that barely coped with the 20th century. The report said:

The Hospital no longer meets the health care needs of the community or the health and safety requirements of staff. The Hospital does not come close to meeting current accepted health facility design guidelines and building standards. Clinical and office areas are no longer suitable for the purposes for which they are being used.

The report found that cleaning equipment was being stored in hallways. Patients are regularly left in hallways because of the lack of space. Some single rooms in the High Dependency Unit are not big enough to use resuscitation equipment or ventilators in. Here we have a facility that is so outdated and overwhelmed by the demands for its services that it is just not able to cope. Kempsey District Hospital should be a prime candidate for funding under the national Health and Hospitals Fund, and I recently presented a petition to this House to that effect. I commend the government for the Health and Hospitals Fund.

Health is a major issue. The North Coast Area Health Service claim that they are somehow going to be able to maintain services while cutting 400 jobs from the North Coast of New South Wales. In an almost Orwellian statement, they came out and said, ‘We are going to cut 400 jobs, but this will enable us to deliver more and better services.’ How do you deliver more services with fewer nurses? How do you deliver cleaner hospitals with fewer cleaners? How do you deliver a better maintained facility with fewer maintenance workers? It leaves Yes, Minister in its wake. A bureaucrat, Chris Crawford, of the North Coast Area Health Service has come out and made a statement that they are going to cut 400 jobs but that this will allow them to deliver more and better services. It is outrageous.

I conclude by referring to the North Coast corridor in relation to the Pacific Highway and the east coast rail line. They are vitally important links in our national infrastructure but, as I mentioned earlier, unfortunately the New South Wales government has stripped funding from the Pacific Highway. There was very heavy investment by the previous federal government under AusLink 1, and it continued under AusLink 2. To its credit, the current government has largely continued that funding. It is vitally important to reduce the accident rate and to ensure that our transport is moving efficiently and effectively. There is strong population growth along the North Coast of New South Wales and strong growth in the transport task between Sydney and Brisbane. It is vital that we continue that upgrade and vital that all major centres in my electorate of Cowper are bypassed as quickly as possible. The bypasses at Kempsey, Macksville, Urunga, Coffs Harbour-Woolgoolga and Ulmarra are vitally important projects and they must be done as quickly as possible.

What does the withdrawal of $300 million do? I guess if you asked the North Coast Area Health Service they would say, ‘It speeds it up; we will be able to build the road faster by pulling $300 million out.’ Sadly, the people of the North Coast know that is not the fact. The
people of New South Wales know they will again be waiting longer and longer for the completion of this road. It has taken far too long to get the Pacific Highway to the level of duplication between Sydney and Brisbane that is currently being achieved. It just cannot be the subject of costcutting. The New South Wales government must be required by the federal government to reinstate that $300 million so that the project can continue.

The North Coast rail line is a vital link. The federal government was instrumental in investing in and upgrading that rail line. We should continue to invest in rail not only on the North Coast but right around the country. One of the secrets of an efficient and effective land transport system will be to get as much freight as possible off road and onto rail. If we do not do that, our roads are just going to clog up no matter what we do. It is vital that we continue to upgrade our North Coast rail line and our general rail infrastructure as quickly as possible. Infrastructure is vitally important to the North Coast of New South Wales. It is a strongly growing region. It needs investment and the investment must continue. I certainly trust that the federal government will continue to invest in the North Coast of New South Wales, as we have very urgent need indeed.

Mr BRADBURY (Lindsay) (12.34 pm)—I rise to speak in support of the Nation-building Funds Bill 2008, the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008 and it is with great pleasure that I do so. I begin by noting a couple of the events of the weekend. There were a couple of things that occurred on the weekend that are of some relevance to the bills before us. Of course there was the meeting of the Council of Australian Governments and the outcomes of that meeting have been well and truly broadcast right across this country because of the breadth and depth of the reforms that emerged.

The other event that occurred on the weekend was the passing of Joern Utzon, the great architect who made such a significant contribution to one of our great national icons—the Sydney Opera House. There was a great deal of controversy surrounding the Opera House at the time of its construction. That led to the situation where Mr Utzon was not able to remain in the city of Sydney long enough to see the fruits of his efforts, but indeed we all see in the Sydney Opera House one of the great icons of this country.

The particular difficulties that were associated with the public debate around the building of the Opera House at the time to some extent demonstrate just how difficult it can be sometimes to make longer term decisions when it comes to key items of infrastructure, whether they be economic infrastructure, cultural infrastructure or social infrastructure. Indeed, difficult decisions that are made by governments and the planners may not always be popular decisions in the short term but, if they are long-term decisions, then the fruits of those decisions can be enjoyed by generations to come. That is the essence of nation building. It is about taking those hard decisions to invest public funds in the infrastructure that will not only deliver the services that people require today but accommodate the needs of our community and our society into the future.

That is why I am very pleased to support the bills that are before the chamber today, because these bills represent two of the common themes of the contribution that has been made by the Australian Labor Party right across this country. They are underpinned by the philosophical propositions that, firstly, what we are about as a party, and what this government is very much about, is delivering a nation-building agenda, building the infrastructure that our
nation not only requires today but will require into the future. The other theme is that we are committed to modernising our Federation. It goes without saying that, if we were to sit down and draw up the Constitution today, we would be starting from a very different point to our founding fathers, who contributed to that debate in the lead-up to Federation in 1901.

If we were sitting down and we had the opportunity to pick up the pen and to draft the Constitution today, it is most unlikely that we would have such a thing as states in our Constitution. To some that might be controversial, but the people I talk to in my community understand that our community, our society, our internationalised society, has moved on to a point where a greater focus at the national level on a range of initiatives is something that is always to be welcomed. We are seeing that as part of the agenda that is being pursued by this government. Many of the elements that came out of the COAG agreement that was reached on the weekend demonstrate that we are serious about breaking down some of those barriers that exist only because of the drafters of the Constitution being bound by the circumstances of the time—those circumstances of course being that the colonies came together to form a Federation and the rights of those colonies needed to be protected.

I will just reflect on one of the initiatives being pursued over the weekend, which related to the registration of business names. In this day and age it is hard to understand why the registration of a business name needs to be as complex a task as it is. Being required to register with some nine jurisdictions is simply not acceptable. It creates barriers that are unnecessary and unworkable. This is just one example of the rail-gauge economics that the Federation-modernising agenda of this government is designed to address.

I use the events of the weekend as the basis to enter into a more in-depth discussion about these bills. I think the significance of what is to be achieved under these bills is of tremendous relevance, and we see that significance on a daily basis. In fact, we saw the significance of it just on the weekend. I note that in large part the government’s commitment to these funds was driven by our commitment to tackling the economic circumstances that existed when we were in opposition. Many of these announcements—indeed, the Building Australia Fund in particular and the establishment of Infrastructure Australia, which has already occurred—were about initiatives that we were promoting as an opposition on the basis that we needed to do something as a nation to address some of the critical infrastructure shortages that our nation was facing. The Reserve Bank, on no fewer than 20 occasions, specifically mentioned the impact of inaction by the federal government and the impact on inflation. In doing so, it very often highlighted the infrastructure bottlenecks and the shortages that occurred as a result of the failure of the previous government to invest.

That is the background that gave rise to the need to invest in infrastructure and the creation of the Building Australia Fund, which is one of the three funds to be created under the nation-building bills. Obviously circumstances have changed somewhat since we proposed the creation of the Building Australia Fund, but I would propose to the House that, in the same way as it was the key area of our national economic circumstances that needed to be addressed by proposing the creation of this fund over a year ago, it continues to be the key area today, notwithstanding the change in economic circumstances. Indeed, the government is very actively making the point—and it is a point that needs to be made—that the pursuit of these funds and the investments that will be made and delivered out of these funds form a central part of our strategy to try and invest in the economic circumstances that exist in this country at the mo-
ment and to try and generate more economic activity so that we can do what we can to protect our economy against the global financial crisis as it spreads across the world. Notwithstanding the change in circumstances, it is just as true today as it was over a year ago, when we proposed the establishment of the Building Australia Fund, that we as a nation need to invest in these key areas of infrastructure—areas that have been neglected—because it is in our national economic interest.

The announcement specifically in relation to the creation of the three funds was made when the Treasurer handed down the budget earlier this year. The budget papers clearly set out the envisaged parameters of these funds. The three funds being established under the Nation-building Funds Bill are: firstly, the Building Australia Fund; secondly, the Education Investment Fund; and, thirdly, the Health and Hospitals Fund. The Building Australia Fund is largely to address the key infrastructure shortages in areas such as transport and communications. We have heard much talk about broadband. I listened with great interest to the comments of the member for Cowper in relation to the government’s proposals for a national broadband network. I simply say this: in the same way as I mentioned the Sydney Opera House and the challenges that mark investment in any great infrastructure for our nation, these things are not easy. If they were easy, then the former government would have done more than it did in the 11 years that it was in office.

In fact, one of the honourable members, in previous discussions before the House, made the observation that the former government’s approach to securing a solution on the broadband situation was simply the ‘Borat solution’. The ‘Borat solution’ is a reference to Kazakhstan, which is one of the three nations—and Australia was to be included—with the lowest and the slowest broadband speeds in the world. That is the legacy we have been left with, but as a government we are determined to do what we can. These are not easy challenges to confront. We live in a country that is full of vast expanses and it is difficult to deliver this sort of technology right across our country, but we are committed to doing what is possible to deliver those services to people. We are committed to delivering it not selectively to those in cities or the urban or outer metropolitan areas but to all Australians, where that is possible. Certainly that process is one that we continue to pursue.

Beyond communications infrastructure, there is transport—rail, roads and ports—and water and energy. These are key areas of infrastructure where there has been insufficient investment from the federal government. I know that the member for Cowper speaks for many on the other side when he leads this refrain: these are matters of state responsibility and the states have failed in these areas. One of the central realities that we deal with in this place, and right across this country in the national debate, is the notion of vertical fiscal imbalance. It is a complicated way of saying that the states do not have the capacity to raise as much revenue as the federal government, but they have the just as great, if not greater, burden of delivering services to communities right across this country. That is a fairly simple and enduring proposition that has only been exacerbated over time as the Federation has progressed. Perhaps that is another reason why we would not include the states as separate entities under of the Constitution if we were sitting down and redrawing it today.

We live with these realities, and in confronting those realities we say that vertical fiscal imbalance is something that must be confronted. That is why the Commonwealth government has to take more of an interest in these matters of national importance, in delivering the infra-
structure that our nation needs—not just because the states do not have the money to do it, which is partly the result of our constitutional arrangements, but also as a recognition of the fact that these are national issues. The failure to invest in national projects of an infrastructure related nature has an impact on the national economy in the same way that it had an impact on the national economy by driving up inflation as a result of those shortages that the Reserve Bank warned against on so many occasions.

In the current economic climate we see that the national implications of inaction would mean that the federal government would not be using its financial resources, the resources of the Australian people, to invest in our productive capacity and our productive future. That is why the government and the Prime Minister, through the announcement of the Economic Security Strategy, identified the acceleration of the bringing forward of investment in these respective funds as part of the government’s agenda. We are bringing them forward so that the money being spent will be felt in the real economy, out there in our communities, sooner than what would otherwise be the case, helping to shield us against the impact of the global financial crisis. This year, these bills will ensure the allocation of $12.6 billion to the Building Australia Fund.

I turn my comments to the Education Investment Fund. That fund is designed for investment in higher education and vocational education and training. That will involve an investment this year of $8.7 billion. Funds from that fund have not yet been expended, but I simply make the point that our tertiary education institutions, whether they are universities or vocational education providers such as TAFE, have been underfunded and have been left in a state that is not befitting of a nation with our aspirations on the global stage. We are a nation that has much to contribute, much to offer, and a nation with a proud history of achievement in the education sphere.

I reflect upon some of the areas where money has been spent since the handing down of the budget by the government earlier this year. I note that, whilst these funds do not specifically come out of the Education Investment Fund, they were something of a down payment, if you like, on what we can expect to receive out of that fund. I note that earlier this year $15.85 million was given to the University of Western Sydney. It was announced in the budget and was in order to assist with refurbishments out of the government’s Better Universities Renewal Fund. There is much to be done and there is a greater capacity to do it with the establishment of the Education Investment Fund.

The Health and Hospitals Fund, of course, is designed for investment in health facilities, including renewal and refurbishment of hospitals, medical technology equipment and major medical research facilities and projects. This year $5 billion will be transferred into that fund. Health is a huge issue. I think we appreciate that, and that is certainly reflected in the nature of the response from the Commonwealth and the states and territories to the COAG meeting on the weekend. The additional resources being deployed to address some of the health needs that we experience within the community recognise just how big an issue health is in our community.

As I talk to people in my local community health continues to be one of their big concerns. There are enormous pressures on the health budget with the ageing of the population, with increases in technology and with a greater capacity to keep people alive for longer—which, of course, is a good thing but comes at a cost. All of these factors, such as the increasing cost of
keeping people in hospital throughout those periods of their lives where they require the greatest level of care—in particular, the final days of their lives—are combining to put more and more pressure on our health system. That is why a greater investment needs to be made in the system.

In terms of the making of payments out of these funds, I simply make the point that it is not just about delivering services and facilities that our community requires, although it is about that in part. It is also about acting in our national economic interest. I quote the Governor of the Reserve Bank, Glenn Stevens, who made some comments to the CEDA annual dinner in Melbourne on 19 November this year. He said:

... if governments are able to so order their affairs as to continue supporting worthwhile—and I emphasise worthwhile—public investment (even if that involves some prudent borrowing); then Australia will come through the present period.

The Reserve Bank, as I mentioned earlier, gave more than 20 warnings to the former government about the need to get inflation under control and to spend on the infrastructure that our economy needed. But even here we see another warning, if you like, from the Reserve Bank, this time straight from the governor—that there is no rule in economics that says that surpluses are always the best course of action for a government to pursue.

Certainly we support the pursuit of a surplus, and we are working hard to deliver one. But, in the end, national economic circumstances will require us to have a flexible approach that meets the needs of the circumstances that we confront. If it is good enough for the Reserve Bank governor to say that there may be a need to meet the investments that our nation requires by going into some prudent borrowing then I do not find it all that remarkable for the government to at least suggest that that could be contemplated in the future. We are certainly not suggesting that the budget is in anything other than surplus at this point in time, but we stand ready to make the contribution to ensure that our economy keeps ticking over and that we provide the jobs that our country needs.

I conclude by saying that the COAG Reform Fund is further evidence of this government’s commitment to delivering an improved, modernised system of federal relations. Combined with the nation-building initiatives that have been set out in the Nation-building Funds Bill 2008, it will make an important contribution to our overall efforts to not only deliver the services our country and our communities require but do so in the context of shielding our economy from the great challenges that the global financial crisis poses. (Time expired)

Mr MARLES (Corio) (12.55 pm)—I rise to speak in support of the Nation-building Funds Bill 2008, the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008. The Nation-building Funds Bill and the consequential amendments bill amend the Future Fund Act 2006, the Income Tax Assessment Act 1997, the Telecommunications (Consumer Protection and Service Standards) Act 1999 and the Telstra Corporation Act 1991 and repeal the Higher Education Endowment Fund Act 2007. They do all of this to establish three of the government’s nation-building funds, as announced in the budget earlier this year. They are the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund.

The COAG Reform Fund Bill, which is being debated concurrently with the others, establishes the COAG Reform Fund, which is designed for the purposes of disbursing funds to the states and territories from these three nation-building funds and, as the need arises, funds from
appropriation bills and special appropriations in the form of national partnership payments. The net effect of all of these bills is to implement critical elements of the government’s nation-building agenda, to upgrade and develop infrastructure in areas such as transport, communication, higher education, vocational education and training and health as well as to strengthen the national economy in the context of the global financial crisis.

Can I start by saying that these bills and these funds were conceived in the budget earlier this year, in May, in response to the parlous state of infrastructure in this country which had been left by the Howard government—a government which for 12 years allowed infrastructure in this country to wither on the vine. There is nothing more important for our economy than productivity. Indeed, the Reserve Bank Governor in April this year said this in relation to the significance of productivity within our economy. He said:

Ultimately, productivity is the source of growth in living standards. In the long run, if it is not everything, it is pretty close to it.

Of course, there is an intrinsic link between the productive capacity of our economy and the state of our nation’s infrastructure. Infrastructure is what allows the economy to flourish and to function. Despite 20 separate warnings from the Reserve Bank of Australia, the Howard government did precious little to deal with the parlous state of infrastructure in this country. It allowed Australia to fall behind. That is not just the opinion of Labor; it is not just the opinion of the current government. It is also the opinion of Engineers Australia, the nation’s peak engineering body. It releases report cards which assess the state of our national infrastructure. A review of the report cards in the last part of the Howard government, from 2001 through to 2005, makes very troubled reading indeed. The reports indicate that during that period the state of our roads, the state of our national electricity grid and the state of our sea ports all went backwards. Airport infrastructure stagnated. Overall, Engineers Australia gave the state of our nation’s infrastructure a C plus. In their closing notes they cited concerns over ‘significant problems’ in our nation’s infrastructure.

Even more disturbing was their 2007 assessment of national communications infrastructure. In the December report of that year they indicated that only Sydney, Melbourne and Brisbane had a fixed communications infrastructure that could be deemed good—meaning that it can ‘generally satisfy the needs of most users’. Perth and Canberra were deemed to be adequate—meaning ‘it does not meet the needs of most users’. Adelaide, Hobart and Darwin got a D or ‘poor’ rating, meaning ‘major expenditure on telecommunications infrastructure would be of benefit to users’. And that was just the capital cities. I am mindful of the time. I will seek leave at this point to resume my comments when we return.

Leave granted.

Sitting suspended from 1.00 pm to 4.11 pm

Mr MARLES—When it comes to education, the legacy of the Howard government is one of neglect. Only 0.1 per cent of GDP was spent on pre-primary institutions during the final years of the Howard government, compared to an OECD average of 0.4 per cent of GDP, while countries such as Denmark and Hungary were spending around 0.8 per cent of GDP on education. When it comes to the other end of the education spectrum—tertiary education—we all know that, during the 12 years of the Howard government, we were the only country that reduced its spending on tertiary education as a proportion of GDP.
When we look at infrastructure, we see that there are many statistics around health. There were 4.8 acute hospital beds per 1,000 people in Australia in 1990; by 2005 that had dropped to 3.6. That compares with an OECD average of 3.9, but in Germany it is 6.4 and in Japan it is 8.2. There are many similar statistics which bear out the point that our health infrastructure has withered on the vine. Indeed, on 20 March this year the shadow health minister, Joe Hockey, said:

I don’t need to tell you that the overburdened public health system is struggling to meet the strain of its workload.

Never have truer words been said. The real question is: whose fault was that?

Infrastructure is crucial to regional Australia. There is no better example of that than in my electorate of Corio, which is based on the city of Geelong. We talk about Geelong having three themes going forward. The first theme is that Geelong is a lifestyle city. It is in a very beautiful part of Port Phillip Bay, with a raised peninsula and the north-facing Corio Bay. It also has access to the surf coast. Increasingly, people working in Melbourne are choosing to live in Geelong. But critical to making that part of the economic future of Geelong is the access that people from Geelong have to Melbourne, and that is an infrastructure issue. Anyone who travels on the road knows that, once you pass the Western Ring Road interchange, there is a bottleneck going into the city of Melbourne from its western approaches. That is an infrastructure issue which ultimately needs to be dealt with. The rail system is good in that it is very well patronised, but that means the trains are often overcrowded. Within Geelong, car parks around the train stations are very hard to find. Again, these are infrastructure issues.

We talk about high-tech manufacturing being part of the future of Geelong. We have multinationals; we have a great university, Deakin University, which has an increasing research base; and we have CSIRO research institutions in Geelong. In terms of multinationals which have a research capacity, there is no better example than the Ford product development unit, which is based in Geelong. All of those are the ingredients of a high-tech manufacturing sector in Geelong but, again, critical to that is infrastructure in the area of education. We need to make sure that we are teaching our kids the skills to perform in those high-tech manufacturing jobs, and we need to make sure that we are investing in research infrastructure so that we can create those high-tech manufacturing jobs.

Geelong also has a wonderful future in relation to transport and logistics, particularly to the north of Geelong, where you have an airport, a seaport, national highway No.1 and the national standard gauge railway all within a few kilometres of each other and all on the northern fringes of Geelong—and with land out there to burn, in a sense. So there is a real opportunity for companies to be based there, in what is a very geographically strategic position in the country. But to make all of that happen we need infrastructure.

I do not say all that as a wish list of infrastructure projects in Geelong, because this legislation provides a much more rigorous process than simply addressing the politics of the day. This is not about a three-year, short-term political time frame; this is about a rigorous process, through Infrastructure Australia and other important sources of advice, of assessment about what is actually in the national interest over a very long period of time. But I do raise those issues around Geelong to indicate the extent to which infrastructure has withered on the vine over the past 12 years and how important building our infrastructure is to getting the econo-
mies of places like Geelong going again. Getting the economies of regional Australia going again is very important indeed.

Finally, I conclude my comments on this legislation by making this point about where infrastructure was at under the Howard government as opposed to what the plans are now under the Rudd government. The former Liberal Party President Mr Shane Stone said in the year 2001 that at that point the party’s leadership was ‘mean, tricky, out of touch and not listening’. Well, little changed in the final years of the Howard government. Their approach to national education was indeed mean spirited; their management of the nation’s health system was tricky, as they sought to blame the shortcomings of the health system on the states; and they were out of touch when it came to the need for infrastructure within this country. By November 2007 one thing was certain, and that was that the Howard government were not listening to the people—but, then again, the electorate was certainly no longer interested in listening to them. The Howard government’s legacy is one of neglect.

The Rudd government intends to overturn that legacy of neglect, and these bills are critical to that reform. They will provide much needed investment in the critical areas of health, education and infrastructure. In the process, they will provide a buffer in the context of the global economic crisis but, more importantly, in the long term they will lift our nation’s productivity by reducing those capacity constraints on our economy. Australia should not be a C-grade student when it comes to infrastructure, health and education, and these bills are absolutely about helping our nation lift its grade. I commend these bills to the House.

Mr NEVILLE (Hinkler) (4.18 pm)—I would like to make a contribution to the debate on the Nation-building Funds Bill 2008 and cognate bills. I spent 20 years in regional development and I think I know a little about it, but I do not see much nation building in the measures that we have heard about so far. There is lot of spin in them but not a lot of work being done to actually get projects to the line.

Apparently the Prime Minister thinks, ‘Once you leave Brisbane and cross the Pine River, you can hear the sound of banjo music.’ Inherent in that is an antirural, antiregional attitude, one that is entrenched in this legislation. His one-man war against rural and regional Australia has begun, and he is using the treasure chest built up by the previous coalition government to fund his battle.

Measures contained in the legislation will create the Building Australia Fund, the BAF; the Health and Hospitals Fund, the HHF; and the Education Investment Fund, the EIF. There is a lot to consider in this legislation, but I would like to start by looking at the overarching financial implications. This is a complete smash and grab: get what you can from wherever you can and hang the consequences. Do not say I am just being tough on the government; I am not. That is exactly what they did in the Keating era, leaving $96 billion worth of debt for the then new government of 1996 to pay off.

In Labor’s program we have got money coming from the existing budget surplus, money coming from the proceeds of the T3 sale and money coming from the perpetual funds established by the coalition government, but the most notable feature is that the money appropriated in this bill, almost down to the last cent, has come from the surpluses provided by the previous coalition government.
Not content with raiding the $2 billion Communications Fund or taking another $2.7 billion from the Future Fund, this typical Labor bill will release funds from the $5 billion Higher Education Endowment Fund and take another $7.5 billion from the budget to top up both the BAF and the HHF. Taking into account the total funds identified in the bill, the BAF, the HHF and the EIF will share around $26.3 billion at their inception in January next year, a full $14.7 billion short of the figure announced in this year’s budget, just six months ago.

It would seem that Labor’s eyes are considerably larger than its stomach when it comes to making promises to the Australian public. Nevertheless, today we are waving goodbye to the budget surplus and pinning our hopes on a government that is all talk and little action. I am all for nation building. It is something that I have tirelessly advocated throughout my time in parliament. I think that in times of national economic hardship it is wise to use the budget surplus to keep our businesses and communities afloat. But I am greatly concerned that this government is about using the hard-earned surplus and perpetual funds from the coalition in effect to buy positive headlines in cities, while leaving regional Australia behind.

Before I move to the body of my concerns about the Rudd government’s nation-building legislation, let me talk briefly about the government’s early development programs and the indications that they might give us on how the government is going to handle the big-picture items that are inherent in this legislation. Let us not mess around with this. We are not talking about little stuff when we start talking about nation building. Let us have a look at what the indications have been thus far, perhaps in some slightly smaller fields.

I want to touch on one early indication of the government’s attitude, and that is that the Minister for Infrastructure, Transport, Regional Development and Local Government spent the first six months as minister criticising coalition programs that were hugely valuable for regional and rural areas, programs that brought jobs, services and development. The most shameful aspect of Labor’s approach is that, while attacking the Regional Partnerships program for an apparent lack of accountability, they designed a program that has no scrutiny or oversight.

Labor’s Better Regions Program is $176 million worth of pork-barrelling, with 90 per cent of it going to Labor seats. The parliament is unaware of what criteria are being used to assess and approve these projects. And the minister has the temerity to criticise my dissenting report, in which I argue the case for providing funding to commercial businesses—which would actually create jobs—instead of building toilet blocks. The minister must be a little embarrassed that his terms of reference for this inquiry deliberately excluded any mention of job creation, particularly with the current predictions of a six per cent— and, if you listen to the National Australia Bank, 6.5 per cent—national unemployment rate within the next two years.

I contend that genuine economic development, sustainability and viability in regional areas hinge wholly and solely on jobs. Perhaps if the minister actually lived in a regional area he might understand. Rural and regional areas have traditionally relied on one or two major industries, most of them agriculturally based, for their economic survival. But for years there has been recognition that regional areas must diversify or die. I have heard Labor members say when in opposition and when in government that the range of businesses, industries and services must provide a resilient platform for long-term survival. Yet it would seem from the terms of reference of the inquiry into Regional Partnerships and what may follow in its place that regional development in Australia will not take any of that into account.
One Labor member told me—and I do not intend to name him, because that would not be fair—that in the lead-up to the election he was granted 18 different programs under the government’s pre-election $176 million Better Regions Program. As I said, there are no guidelines for those. When I have asked ministers, parliamentary secretaries or indeed my government colleagues the answer has been, ‘They were election promises.’ For a $176 million-worth program you can tear up the rule book, yet you can nitpick day and night over a handful of projects that failed under Regional Partnerships.

In my electorate I worked very hard with commercial projects. I am a great believer in the concept that we must create employment, and I ensure that my electorate is diversified. Hinkler has the ninth highest tourism employment rate of 150 electorates—10.9 per cent of all jobs in my electorate are in tourism. Manufacturing accounts for around 8.4 per cent of local jobs; agriculture, 6.6 per cent; and construction, 10.6 per cent. Also, education and training and health and welfare contribute to the jobs profile. Going back to that tourism figure, I am quite sure that the Hinkler tourism job profile would not be as high if the coalition had not invested in a number of small to medium sized enterprises such as the one we inspected while we were on the inquiry, Snakes Downunder—an excellent reptile park. From humble beginnings, it is now a beautiful place to take kids where they can see all the Australian reptiles and wildlife against cameos that show these creatures in their natural environment. Another enterprise was Mammino’s ice-cream. Imagine, an enterprise in the little town of Childers—both these enterprises are in Childers—making an ice-cream that sells all over south-eastern Queensland. It is rich, beautiful ice cream, too. My wife keeps it well away from me!

You might ask: ‘Where does all this come together? What are you on about? What are you trying to say?’ I am not claiming all the credit. There are other factors, such as the expansion of tourism in Bargara and Hervey Bay. But just listen to this: over the last 20 years unemployment reached an all-time high. In February 1996—that is, the month before we took office as a coalition—the unemployment rate in Wide Bay was 19.9 per cent. The Wide Bay region, the Tweed, Western Sydney, one of the Victorian regions—the name of which eludes me for the present—and the Mersey region of Tasmania were traditionally the worst five. They were always in that group. Isn’t it ironic that in the month before we left office the unemployment rate in my electorate was one of the lowest in Australia, at 3.4 per cent. I contend that the development of small to medium sized industry played a significant part in that. I think that is what the government has to look at, and commercial projects should be a part of that. You cannot just repair halls, tidy up swimming pools and build playgrounds and toilet blocks. Important as those things are—and I am not suggesting they should be dropped—you must counterbalance them with a serious approach to major industry.

The government is suggesting that it might put some of those previous, bigger projects into the Department of Innovation, Industry, Science and Research. But, of course, there is no program for them in there, and I am doubtful that they would ever do it. So we are just going to cut all those commercial projects off to one side. To create jobs, to create vital infrastructure, we need flexibility, dynamism, entrepreneurship and—let me stress—diversification. When one industry fails in a regional area, if you have a diversified industry base—as I was trying to explain before—you are less prone to those rises and falls of unemployment and social dysfunction.
The coalition has long championed investment in hard infrastructure, which will improve productivity, living standards and business development—for example, $38 billion dollars went into AusLink programs 1 and 2. I have heard many of my Labor colleagues praise those programs. It was the coalition which established the $2 billion Communications Fund which would have financed ongoing telecommunications upgrades across the nation. It was the coalition that established the perpetual Higher Education Endowment Fund of $5 billion. But, perhaps most importantly, the coalition had the money in the bank to undertake these far-reaching programs. At that time, Australians were confident that the government had a grip on the national economy and were secure in the knowledge that every cent put forward in these infrastructure programs came from our own coffers, not from a national credit card, not from borrowing and not from going into debt. Indications over recent weeks suggest that things are going to be very different in the future. We have a government that thinks that a dollar sign is the equivalent of decisive action and a Prime Minister more interested in lecturing the global community than governing his own country.

The Prime Minister’s thought bubbles are bursting left, right and centre, particularly in the rough and tumble of telco politics. The fact is that the bids might be in for the national broadband network, but rural and regional Australians may have to wait eight or more years before they get high-speed broadband services. Just yesterday, Telstra chairman Don McGauchie admitted that the company could only provide high-speed broadband access to about 90 per cent of Australia. The benchmark has always been 96-98 per cent. Where is the other 10 per cent going to come from? The plan would seem to be—particularly since the Rudd government has come to office—to squander the $2 billion established for the specific purpose of rolling out upgrades to country areas. I think that is both unnecessary and shameful.

The real shame in this situation is that, if the coalition had retained government, our planned nationwide high-speed broadband network would have been making its debut at about this time. Under the coalition’s Australia Connected, all Australians would have been able to hook up to fast broadband next year, using a range of technologies to ensure everyone had the ability to access broadband. Under the plan, the less competitive rural and regional markets would have had the security offered by the $958 million OPEL contract, and our $2 billion Communications Fund—which I spoke about before—would have been there for future proofing, if that particular program needed upgrading or if there were holes to be plugged.

In fact, in my electorate, only one little corner, at Didcot, would not have been covered by the OPEL plan. OPEL would have had the whole electorate covered by high-speed wireless internet and, as well as that, three major areas of ADSL+2, in addition to what other companies, like Telstra, were offering. But it has been scrapped by the current government and regional and rural people have no guarantee that (a) the government is even going to give Telstra the contract, and (b) if it does, what will happen to the 10 per cent of Australians who are going to miss out anyhow? And I suppose you could add (c) there will not be any money there to do it because we have squandered the $2 billion that was earmarked to do those sorts of jobs. So when you look at it, it is really quite sad.

In the remaining minutes I would like to speak briefly about the inland rail. If the government really wants to excite people, it needs to do something like the Snowy Mountains scheme; it needs to excite the Australian population to think about something beyond itself, to
provide a project which will have an employment component to it while it is being advanced. We have two companies who want to do that inland rail: ATEC, led by Everald Compton, and GATR, led by Vince O’Rourke. I have a longstanding interest in this. I think a north-south railway line from Melbourne to Toowoomba, or alternatively Melbourne to Brisbane, and perhaps later onto Gladstone would be real nation building—the sort of stuff to infrastructure that the Opera House is to the arts. We have heard a lot about that today but we seem to lack the will to drive projects like this into the future. It is not as if we do not have competent people doing that. Everald Compton already has a mandate from the Queensland government to do the section from Gladstone to Toowoomba. He is now seeking the mandate to go from Moree to Toowoomba. Vince O’Rourke, who is arguably one of the greatest rail men in Australia, is held in the highest esteem in New South Wales and Queensland. In the report The great freight task, he said:

We are doing too much patching. Why don’t we build some really good railways? On a modern railway from Melbourne to Brisbane, freight trains could make their journey in 14 to 15 hours. It would be overnight. It is the just-in-time manufacturing inventory, logistics and integration with the ports that this nation needs.

That is his vision. While we have people out there wanting to do this, it is a travesty that it lays waiting for governments to pick it up. I would urge the government, as it looks around for nation-building projects, to take up the vision that Everald Compton has so widely articulated. Let us start getting semitrailers off the roads, let us start opening up some of the most productive parts of Australia, let us get a modern freight system and let us get it soon.

Ms BIRD (Cunningham) (4.38 pm)—I rise this afternoon to support the three bills being dealt with in cognate before the House: the Nation-building Funds Bill 2008, the Nation-building Funds (Consequential Amendments) Bill 2008 and the COAG Reform Fund Bill 2008. I take the opportunity to focus on the COAG Reform Fund Bill, although I will make some reference to the nation-building funds bills. I indicate to the chamber that I intend to keep my comments to about 10 minutes, being conscious that some of my colleagues also want the opportunity to contribute to this debate.

The COAG Reform Fund Bill establishes the COAG Reform Fund, which will make payments of financial assistance to the states and territories on written agreements between the Commonwealth and the states and territories. Payments for the COAG Reform Fund may come from three sources: payments from nation-building funds, annual appropriation acts and/or special appropriations in the form of national partnership payments. National partnership agreements between the Commonwealth and the states and territories set out performance benchmarks and the amount of payment for each benchmark met. The COAG Reform Council will determine whether or not the agreed benchmarks on national partnership agreements have been met. For payments sourced from the nation-building funds, the terms and conditions for this financial assistance will be determined by written agreement under the Nation-building Funds Act 2008. The bill therefore modernises financial relationships between the Commonwealth and the states and territories. The COAG meetings held since the government was elected in November—one of which was held this weekend, of course—are designed to end the blame game and modernise the federation to create a new, modern relationship that will send us well into the future. COAG has an ambitious reform agenda, of course. It is focused on health and education, skills and training, climate change and water, infrastruc—
ture, housing, disability reform, business regulation and competition and Indigenous disadvantage.

I want to take the opportunity to indicate how important this program is and why a bill such as this, in establishing the new form of the financial relationship between the Commonwealth and the states and territories, is so critical to the long-term wellbeing of our nation. On Saturday, the most recent COAG meeting was held in Canberra, and it was an important and historic meeting in terms of many of the areas that it dealt with. It acknowledged that we are in a period of major reform, particularly to the specific purpose payments that have been a long-time feature of the relationship between the Commonwealth and the states. Given the circumstances in which these reforms are being passed through that process—we understand that global financial market conditions have created a great deal of pressure in our systems and for all governments at all levels—the way in which we arrange our agreements and funding to ensure that when government money is spent it is being spent against preset benchmarks with transparent measures in place to indicate how effectively that money has been released into our economy and communities is very, very important. No longer do we want to be able to simply say to the states, ‘There’s a bucket of money; you’ll get yours allocated on a particular formula and then you’ll sink or swim based on how you spend it.’ Clearly we now have a view that we have a common interest across all three levels of government in making sure that we all stand responsible at the end of the day for the outcomes in areas where the relationships in delivery of funding between the three levels of government have become more and more complex over time.

This program is a recognition of the fact that increasingly the people whom we represent in this House have become frustrated by their inability to pinpoint exactly who takes responsibility for an issue that they may have in the local area. I am sure all of us, as local members of parliament in our own electorate offices, regularly have those calls where someone will ring about an education, health or housing issue and we have to say: ‘That’s actually not under the Commonwealth’s area of responsibility; that particular part of the service delivery is under the state. Here’s who you need to talk to at the state level, and here’s how you can progress that through the other level of government.’ Increasingly, you have to go away yourself for a couple of hours to try and unravel the situation that they find themselves in and find out which components of that particular matter relate to state or federal responsibilities. A classic example was a complaint I had from a parent about a quality issue to do with the curriculum at an independent school. She had the view, which was not surprising, that it is the federal government that funds private schools and therefore it should be something I take up. I had to explain to her that the curriculum and standards are administered by the state authorities.

Those sorts of complex relationships, while we can understand why they have historically developed, have created, I think, that sense of frustration in the community about where the buck actually stops, to use the old political term. So what we are attempting to do here is to address that in a meaningful way with a reform that says that, when the federal government gives money to the states under these national partnerships, it will be done in a collaborative way that sets out up front, from the beginning, exactly what outcomes are expected and what the measures and reporting processes will be so that all people can see how that is actually progressing.
Given my own background, I want to particularly acknowledge the importance of the COAG program on education and schools in particular. It is very important that we come to an agreement on the computers in schools program. I know those opposite have been quite critical of this, but I have to say it is a real passion of mine. I have observed with frustration for many years as a teacher and parent—I have two sons, who are now 24 and 19, so well past their high school age—that kids would head off to school with a backpack full of textbooks that look very similar to the ones I had when I was at school. And if you looked at those little stamps they have in the front of them, where each student each year writes their name and the year it was issued to them, that is not far from the truth. I looked at that and thought how meaningless that experience is to the reality of the world out into which they are going to go seeking work. The only slightly parallel example I can think of is seeing, when I was walking through the Macquarie Street end of Sydney, a lot of the legal profession walking around dragging their trolleys full of books behind them. But in most professions nowadays that is a very uncommon experience. Most of them are digitally driven; they are connected with computers; they access information through a common database. That was the experience these kids were going to have going out into the world.

Indeed, if they are going into the trades, every tradesman now has in his ute not only the tools in the back but also, on the spare seat, the laptop with which he is doing his quotes and processing his business. To me it is a really major issue that we have to get our kids into the 21st century. The toolkit of the 21st century is the computer. It is only possible to roll out that program in a partnership with the education sectors—that includes the state schools, through the state and territory authorities, and the independent sectors, through their own authorities. So that is a really important part of the announcement from Saturday’s COAG that that program has been allocated the additional money that is needed to get it up and running. I would encourage people to reject the argument that somehow this is not a significant and important part of modernising our education system. It is; it is critical. While there may be criticisms about the rollout detail and so forth, the actual concept is a really important one in continuing to engage our young people in a meaningful education.

I want to acknowledge that it is also important that the primary school component of funding has also been increased. I know that we put a lot of focus and effort into the secondary school sector through the computers in schools program and the trades training centres. Some primary schools in my areas have been saying to me: ‘Look, we understand that you always address the critical end. These are young people about to go out into the workforce and therefore you cannot leave any longer the need to address the gaps that may be in their education, but of course you also need to focus on the primary school end.’ There has been an important shift in the formula for funding students in primary schools in the government sector, as that is what is dealt with obviously in COAG. I think that will see, as I understand it, $100 per student additional funding, and I think that will be very welcome in the primary school sector as well as, of course, the additional money for literacy and numeracy.

In my final moments, I just want to make the point that, as a former teacher, I know that change can be daunting. I know that accountability for anybody in any profession is always viewed with the concern, ‘I don’t mind being accountable, but how exactly are you measuring me and is it legitimate?’ I think the measures in here for school leadership and quality teaching are critically important. They support people who are already doing that. They allow them...
the opportunity to develop themselves further and I think that the program overall is a tremendous one. I commend all three bills to the House and I thank the House for the opportunity to address them.

Ms HALL (Shortland) (4.49 pm)—Given that we only have 10 minutes and there are to be two speakers, my contribution to this debate will be very brief.

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member should know that there is no limit, according to the standing orders.

Ms HALL—Mr Deputy Speaker, please. These bills will be returned to the House a bit before five o’clock, so I will make my contribution very quickly. The Nation-building Funds Bill 2008 and related bills signal a new era in relationships between the Commonwealth and the states. The legislation also signals a new era in providing much needed funds and infrastructure for the people of Australia. The legislation is about partnerships and will lead to stopping the blame game and creating an environment where Australians can obtain the education that they need. The education fund was established in the 2008 budget. Australians’ health needs will be looked after through the health fund, which was established in the 2008 budget. Also, the infrastructure fund will provide much needed infrastructure in Australia.

This legislation is of vital importance, and it shows the difference between the Howard government’s approach to education and health and the Rudd government’s approach. The Howard government allowed skills shortages to develop in Australia. It did not address the educational needs of Australians and did not put Australia in a position to encompass the jobs and the intellectual needs of the world that we live in today. That is totally different from what the Rudd government is doing. You only had to go to the COAG meeting at the weekend to observe the difference. There has been an enormous injection of funds into the states for health, housing and education. There will be a $6.4 billion investment in health and hospital funding, and that is included in the national healthcare agreement. That is very different from the previous government’s approach. It ripped money out of our hospitals instead of investing in them and then blamed the states for the fact that hospitals were struggling to meet the needs of the people that visited them. This is all about ending the blame game and rebuilding our hospitals.

There are partnerships between local government and the federal government, with $300 million given to councils throughout Australia the week before last. That showed a recognition of local government. COAG negotiations at the weekend showed a very mature approach to the relationships between the states and the Commonwealth. The government will be delivering much needed infrastructure here in Australia.

The previous Howard government allowed bottlenecks to develop around our ports. It did not address the needs of all Australians in all electorates. Rather, it pork-barrelled into National Party electorates. If I remember correctly, just before the election it announced 32 projects under the Regional Partnerships program in 28 coalition electorates. That is far different from the very transparent approach set out in this legislation. This legislation will ensure that infrastructure, education and health funds are established and can operate to benefit all Australians.

From what I have listened to of this debate, the contributions from members on the other side have been very myopic in their approach. Those members have tried to find problems
with this legislation, which will benefit not just a few Australians but all Australians. This legislation will ensure that 133,000 jobs are created within Australia and will make sure that Australia is in a position to meet the needs of the future. The Rudd government has stepped up to the mark with its economic security package, which millions of Australians will benefit from next week when payments start going into their bank accounts. People are able to recognise that there is a financial crisis on and that we need a visionary government, a government that is prepared to train doctors, a government that is prepared to invest in education and a government that will govern for all Australians. I commend the legislation to the House.

Mr HALE (Solomon) (4.55 pm)—I rise today to offer my strong support for the Nation-building Funds Bill 2008 and cognate bills. On indulgence, I would also like to add my sympathy to the family of Lieutenant Michael Fussell, who passed away at the end of last week. Having a strong contingent of service people in my electorate, it is always a worry to me to have our people overseas.

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member does not need indulgence.

Mr HALE—Thank you, Mr Deputy Speaker. I am new in this place. The main purpose of these bills is to establish Labor’s three nation-building funds: the Building Australia Fund, the Health and Hospitals Fund and the Education Investment Fund. These funds will provide the finances to see nationwide improvements in critical areas such as transport, communications, higher education, vocational education and training, research and health. The Australian government is bringing about real change to the way we look at investing in our nation’s future.

Earlier this year the Prime Minister took decisive and early action to protect the Australian economy from the global financial crisis, which started in the United States and has rapidly spread throughout the world. The Rudd government prepared well ahead for this set of circumstances by ensuring in the May budget that we provided ourselves with a strong buffer for the future. The Australian economy remains sound, but we are not immune from the global slowdown and the real possibility of global recession. There are no easy solutions or quick fixes to the global financial crisis. This is going to be a long, drawn-out crisis which will have a real impact in Australia, leading to slowed economic growth and increased unemployment. We are in a strong position to tackle the challenges that come with global economic uncertainty, yet we do require strong economic management to assist in this challenge.

On 14 October the Prime Minister and the Treasurer announced the $10.4 billion Economic Security Strategy to deal with the challenges of the global financial crisis, to support continued positive growth in the Australian economy and to provide practical support for the household. I know that thousands of pensioners, carers and families in Solomon are looking forward to the financial relief they will receive next week. Not only will it mean real and immediate support for pensioners, carers and families; it will also mean an economic stimulus for the hundreds of small business owners in the Darwin and Palmerston area at a time when everyone needs it the most.

To ensure that Australia is shielded from the impact of the global financial crisis, another component of the Economic Security Strategy announced in October was the fast-tracking of
our nation-building agenda. To meet the infrastructure needs of Australia in areas central to our economy—areas like transport, communications and education and training—these bills have been fast-tracked through a historic investment in nation building that will ensure our economic security today and into the future.

The investments being made by this government are significant. This year the government will contribute over $12 billion, including proceeds from the T3 sale and the balance of the Communications Fund, to the Building Australia Fund for use in long-term nation-building projects. It will contribute almost $9 billion, including the balance of the Higher Education Endowment Fund, to the Education Investment Fund for education infrastructure and make a $5 billion contribution to the Health and Hospitals Fund for health infrastructure. The government is committed to making future allocations of these funds as budget circumstances permit. These three funds are particularly important examples of the government’s approach to nation building. They are designed to provide in areas where stakeholders agree there are substantial infrastructure gaps.

It is always good to have third-party endorsements of the budget and of these things. All members would recall the dozens of warnings the former government received from the Reserve Bank that it needed to focus on infrastructure spending bottlenecks in the economy and also increase spending on training. I will read a few of the responses to the announcement of the Building Australia Fund from peak organisations not known as Labor sympathisers by any stretch of the imagination. David Crombie, President of the National Farmers Federation, said:

Tonight’s announcement of the $20 billion Building Australia Fund is a positive move towards addressing critical transport and communications infrastructure. Too often Australia’s farmers face inadequate and grossly ineffective national and regional infrastructure in these areas, undermining the farming sector’s strong record of productivity and growth.

The ANZ Bank’s chief economist, Saul Eslake, said that in this budget the Treasurer ‘has created a more compelling vision of how it will deploy the enlarged surplus which it is projecting over the next four years’. This is exactly what the government should be saving its surplus for. I commend the legislation to the House.

Mr HAYES (Werriwa) (5.01 pm)—I move:

That further proceedings on the bill, on the Nation-building Funds (Consequential Amendments) Bill 2008 and on the COAG Reform Fund Bill 2008, be conducted in the House.

Question agreed to.

BUSINESS

Rearrangement

Mr HAYES (Werriwa) (5.01 pm)—I move:

That business intervening before order of the day No. 2, government business, be postponed until a later hour this day.

Question agreed to.
Debate resumed from 26 November, on motion by Mr Albanese:

That the House take note of the following document:

Australia’s response to the Global Financial Crisis

Mr IRONS (Swan) (5.02 pm)—I rise to speak about Australia’s response to the global financial crisis. I must admit that this subject has the potential to be difficult to address. You may well ask: what could be difficult about this subject? The difficulty is associated with the word ‘response’. I will first have to decide which is the definition of ‘response’ by the Rudd-Swan government from the following options: is the Rudd-Swan government responding as an economic conservative to the GFC or is this blind, rudderless panic with no direction because there is no economic or fiscal capacity within the Rudd-Swan government? Unfortunately, I will have to choose the second option. The member for Leichhardt is next to speak and he is in the chamber as well. I say to him that there is no ‘double happiness’ in this so-called response by the government to the GFC—none at all. The member for Deakin threw the ‘double happiness’ line at me in the main chamber last week during the MPI on jobs. I am sure that he understands that the Australian people are not feeling any happiness at all, whether it be single, double or triple, with the response by this government to the GFC.

I will endeavour to show why the government have not responded satisfactorily and why they continue to prove to the Australian people that they have no idea or direction. The government have no direction or future ideas about how to handle the Australian end of the GFC. In the House today the Treasurer, Mr Swan, said it would be irresponsible to rule out a deficit. He is clearly out of his depth. Our Treasurer, Mr Swan, said last week that he did not know what was going to happen next week. This is tantamount to saying: ‘We the government do not have a clue and we cannot help you any further. We are just going to sit here and wait for it all to happen. When we do make a decision, we will hope it is the right one.’ Early in his term, the Prime Minister said he had done all he physically could to help the Australian people on petrol prices, grocery prices and inflation. He gave up. Giving up and guessing that you are going to make the right decision is just not a good enough response to the GFC. This is a government with no control or direction. The opposition has always had the right, and in fact has a duty, to question the actions of the government of the day. Those on the other side might be interested to hear that I have support from the Prime Minister on this. As Leader of the Opposition, on 27 September last year, he said:

… the function of the parliament is to provide the executive with the opportunity to answer questions put to it by the opposition.

… … … …

… the job of the parliament is to get an answer back from the executive …

I was therefore deeply concerned when the Treasurer told the House that the opposition was completely irrelevant, while the Deputy Prime Minister said the opposition should just ‘get out of the way’. With statements like that, one could say that arrogance is creeping into the government by the bucketload. The member for Braddon also stated in a speech recently that we are just ‘nitpicking’—while we are fulfilling our duty to the Australian people in our opposition role as recommended by the Prime Minister, trying to get answers from the execu-
tive. Given the Prime Minister’s statement last week that Australia is set to go into deficit, I say this to the member for Braddon: the opposition has never been more important, and the economic advice of the coalition opposition should not be ignored. The key message in the Prime Minister’s statement to the House last week was the following:

If global growth continues to deteriorate in the period ahead, consistent with the economic data that is emerging during November, then there will be a further slowing of growth in the Australian economy— as surely as night follows day.

If Australian economic growth slows further because of a further deepening of the global financial crisis, then it follows that the Australian government revenues will reduce further. Under those circumstances, it would be responsible to draw further from the surplus and, if necessary, to use a temporary deficit to begin investing in our future infrastructure needs including hospitals, schools, TAFEs, universities, ports, roads, urban rail and high-speed broadband.

I want to reiterate what the Leader of the Opposition said in reply to the Prime Minister:

Experience and history tell us that Labor deficits are never temporary.

I want to make it clear that, given the historically strong economic position which this government inherited, there should be no reason for this government to take the economy into deficit. This government has not even seen the effect of its stimulus package, which is due to be delivered on 8 December, but already it is telling us it needs to do more. That tells me that its first stimulus package is not going to work; it has already declared it a failure. Last week, the member for Brisbane was telling us about the achievements that were coming from the government’s economic stimulus package, and I reminded him that the government had achieved nothing as yet. He agreed with that. This is a government of contradiction. It saves the world and the globe one day and then says we are in a desperate state the next day. This government has eschewed responsible economic government and instead chosen populist political policies. A basic knowledge of governments around the world shows that populist political policies do not equate to strong economic management.

By dispelling a number of myths that the Rudd-Swan government would have us believe, I will explain to the House how the Prime Minister has mismanaged the economy. The first is that the government took swift action in anticipating the global financial crisis. The Prime Minister in his statement last week suggested this; however, we know that this is simply not true. The government devoted all its energy in its first months in power attempting to besmirch the previous coalition government’s reputation for strong economic management. All members will recall the government’s line of attack: ‘The inflation genie is out of the bottle,’ said the Treasurer, Mr Swan. Well, the often-besmirched genie has morphed into an elephant, and the government have no way of getting it back into the bottle, whatever form they want to say it is in this week. This rhetoric about the genie put undue pressure on the Reserve Bank to increase interest rates, which it duly did. This seems a perverse way of anticipating a global financial crisis. In early February, when the government should have been encouraging economic growth, they were instead talking down the economy, threatening business and consumer confidence and growth. Meanwhile, the opposition was talking up the economy and, given the poor global economic data, warning about the potential impact of a global financial crisis.
This is a government of contradiction. The Prime Minister last week used the D-word, but on 11 May 2008 he said, ‘Budget surpluses are essential for economic security.’ He also said on 4 September:

Can I say to all those opposite: if you are going to prosecute a policy of responsible economic management, it means ensuring that you deliver a responsible surplus outcome.

On 5 September, he said:

The cornerstone of responsible economic management is to have a strong Budget surplus …

The decision making of the government has been poor, if not pathetic, but not unexpected. The confusion and indecision surrounding the government’s unlimited deposit guarantee scheme led to 270,000 Australians having their savings, mortgage funds, cash management trusts and similar investment institution funds frozen to redemptions. It has since been suspected that the government stumbled through this decision in an anticonsultative manner. When, within a few days, the massive distortion resulting from this policy became apparent, the Treasurer did nothing. As the Leader of the Opposition said yesterday, the Treasurer did nothing until a letter between the Reserve Bank and the Treasury secretary found its way into the media. We learnt the Reserve Bank governor himself recommended a cap just a few days after the policy had been announced. Indecision often leads to inconsistency. The Rudd-Swan government have demonstrated inconsistency particularly aptly during this financial crisis.

The Treasurer, the man who spent a minute fumbling around for his inflation figures, said as recently as Monday last week that a deficit would not be necessary. Yet later in the week the Prime Minister told us we were going towards a deficit. What has changed? The implications of inconsistency and indecision are significant for business confidence. Indicators have suggested a recent collapse in business confidence. Part of this is due to the global financial crisis. However, the Prime Minister, with his language of despair and hopelessness, is exacerbating this.

Two weeks ago I had the pleasure of welcoming the Leader of the Opposition to my electorate. The purpose of his visit was to assess the state of business confidence in the midst of the global financial crisis. The member for Wentworth and I visited several local small businesses before addressing a gathering of small businesses in my electorate office in the dynamic suburb of East Victoria Park. Firms expressed some concern about the global financial crisis but also reported that business was good and steady. If businesses are operating at the moment and—as we are led to believe by the Prime Minister—Australia is in a strong position to withstand the effects of the GFC, why should the Rudd government be talking down the economy? The reason is that, over the last 12 months, the Rudd-Swan government has mismanaged the economy and is now trying to blame its mistakes on the global problem.

We should of course have been talking up our economy and inspiring business confidence at this time and providing positive, pragmatic policies. Only last week the Governor of the Reserve Bank warned that the biggest mistake we could make would be to talk ourselves into an unnecessary weakness. However, I fear the Rudd government’s poor management is on the verge of taking us over the precipice. Labor deficits are not short-lived.

At every juncture, the government has rejected bipartisan support. Where around the world governments are working together, in Australia our centralising Prime Minister has made all the decisions himself. If he had listened to the opposition from the start, he would have passed
an appropriation law earlier to ensure the wholesale term funding guarantee was practicable. Mr Rudd has backflipped on bipartisanship. Only last year he said:

On the day the Prime Minister announced his intention to intervene to protect the children in the Northern Territory I said that we would offer our … bipartisan support. Let us be blunt: this emergency plan is far from perfect. We are, however, prepared on this side of the House to give it a go and we commend the proposals we have put to the government by way of amendment …

Mr Rudd could not have put the meaning of bipartisanship better. However, whilst our proposals are being ignored by the Rudd government, bipartisanship is non-existent.

The government’s supply of spin has expired. During the debate on the Economic Security Strategy legislation, which was cut short, there was continuous whining from that side of the House about the opposition not supporting the bill. The theme from the other side of the House virtually was that we had no right, as an opposition, to question the details of the legislation, that we should just accept it on trust. Why should we accept it on trust? Is it because the font of all knowledge, the Prime Minister, has been prancing around the globe and saying that this is the solution to the GFC? Is it because the Prime Minister and the Treasurer, who made a fool of himself when he could not find that graph that would tell him the inflation forecast, have done their Tweedledee and Tweedledum act around the country trying to convince everyone they are economic conservatives? Must this bill work because the Prime Minister has his sleeves rolled up for a camera shoot? As the member for Solomon would know, you only roll up your sleeves when you raise a sweat or whilst drinking a Darwin stubby in that well-known place called the Cage. I did not see one drop of sweat on the Prime Minister’s brow. For that matter, I did not see one Darwin stubby either.

The Australian public are only going to swallow this spin for so long. They will see the arrogance of the Prime Minister sooner rather than later. The good news is that the IMF has forecast positive growth in the Australian economy. The government should go out there with a positive message to the Australian people that we have a growing economy and a built-in culture that will see us fight our way out of perceived threats to our families and lifestyle. We are a country that survived economic threats over the 11 years of a strong coalition government. We survived such things as the Asian meltdown, the SARS crisis and the pilot strike. We have a nation of people who, with a strong government and sound economic and fiscal policies, will see us through the toughest of times. We are a nation of people with substance. We need our government to be positive, to take this nation forward and to lead us back to a strong economy that can withstand outside negative influences. We can only hope that this government is up to the job. I noticed the Prime Minister said in his speech last week:

The impact of the global financial crisis on our economy will be real. Its impact on our businesses will be real. Its impact on our families will be real. Its impact on our workers will be real. Its impact on our country will be real.

I am glad not only that our Prime Minister has the capacity to comprehend these obvious effects but that he actually walked into the House and enlightened honourable members and the Australian community with his wisdom. I would say to the Prime Minister: when are you going to get real?

Mr TURNOUR (Leichhardt) (5.15 pm)—I rise today to support this motion on the global financial crisis. The member for Swan, in his last comments, made a very clear point: the Prime Minister does understand how significant this crisis is. Unlike the opposition, the Prime Minister has the capacity to comprehend these obvious effects but that he actually walked into the House and enlightened honourable members and the Australian community with his wisdom. I would say to the Prime Minister: when are you going to get real?
Minister is not saying it is being hyped up; he says it is serious and needs a proper response. The member for Swan contends that the government has not responded to the global financial crisis and he makes fallacious arguments to that effect, but the reality is that the government is responding and has responded not only decisively and swiftly but responsibly. We brought down earlier in the year a budget with a significant surplus; we have supported the financial sector through these difficult times through a range of different measures; we have delivered a $10.4 billion stimulus package, which will start to flow to families and pensioners in the next week; and we have taken international action through the G20 and APEC. We will continue to take all necessary action in the national interest. So we have responded early and appropriately, and we have a holistic plan to tackle the global financial crisis.

This is a significant crisis. We need to remember that this started in the United States through the subprime mortgage crisis more than 12 months ago—bankers lending money to poor people and those on welfare who could not afford to buy a house and merchant bankers coming up with a good idea for how they could make a short-term buck. It was merchant bankers who got us into this financial crisis, and merchant bankers are not helping us get out of it, given the way a former merchant banker, the Leader of the Opposition, is pursuing his political strategy within this House.

This is a serious crisis. More than 30 banks have needed to be bailed out or supported, if they have not failed. Many share markets around the world are down more than 50 per cent, including Australia’s, wiping many trillions of dollars of wealth away from families, small businesses and others all around the world. Housing prices are also in decline—or in free fall in many countries—destroying consumer wealth and confidence. Europe and the US are in recession or going into recession, and the world’s seven largest economies have experienced a quarter of negative growth this year.

We are the world’s 14th biggest economy and have benefited from the global growth over the past 10 years. Resources booms have filled the Treasury coffers. We have had periods of high growth and low unemployment. The reality is that for too long the former government failed to invest these windfalls in appropriate infrastructure and skills development within this nation. We were left with some difficult economic challenges to face earlier this year, and subsequently we have had the global financial crisis. We saw the former government reign over 10 interest rate rises in a row and leave the country with an inflation problem. We have this year brought down a budget that was responsible and subsequently followed that up with a detailed and comprehensive response to the global financial crisis through measures I have already touched on. The budget, though, was critical in enabling us to respond appropriately. We delivered in that budget $9 billion in tax cuts to help ease cost-of-living pressures on working families. We established a significant budget surplus, giving the government the flexibility to respond to the crisis today. The budget surplus that we created early in the year has enabled us to respond appropriately to the global financial crisis.

We need to remember that the opposition, who claim that they support our stimulus package while at the same time nitpicking against it, fought tooth and nail to prevent the government bringing down a budget that was in surplus. They have opposed measures in the Senate: alcopops, increases in taxes on luxury cars, changes to the Medicare levy surcharge and a range of other measures to give the government the surplus that it needed to respond appropriately to the global financial crisis.
The Rudd government have acted decisively with the stimulus package. We have been able to do that because we have a budget surplus—a budget surplus that the opposition sought to undermine and prevent us establishing. Within the budget we also established three funds—the Building Australia Fund, the Health and Hospitals Fund and the Education Investment Fund—because we recognised the failure of the former government to invest the proceeds of the resources boom in infrastructure, training, health and education. We are committed to nation building within this country and we established those funds within the budget earlier this year. Over the weekend, we saw the government respond again in that nation-building agenda, through cooperative federalism—working with the states and adding another $15 billion to the COAG agreement—to ensure that we can effectively invest in health, education and a range of other services to support this nation into the future.

The $10.4 billion economic security package has been one of the central responses that this government has made to the global financial crisis. On 8 December, single pensioners will receive $1,400 in one-off payments, couples will receive $2,100 and families will receive $1,000 per child if they are in receipt of family tax benefit A. The first home owner grant has been doubled to $14,000 for those purchasing an established home and increased to $21,000 for those building a new home. We have doubled the new training places, recognising the need to support education and training in this country, and we have brought forward our nation-building agenda. So we have responded through a strong budget and we are responding now through the economic security package, which we are able to deliver because we had worked hard and established a strong surplus in the budget delivered earlier in the year.

We have also strongly supported the financial system in this country. Where the opposition have sought to undermine the financial system and drive confidence out of the financial system, we have sought to support it. We saw in parliament the Leader of the Opposition well over-reach in attacking the Secretary of the Treasury, Ken Henry, and, rather than stepping back from that, he then sent his senator, Senator Brandis, out to further attack the secretary in estimates hearings later that week. So we have had the opposition attacking the Secretary of the Treasury. We similarly had the member for Canning at the doors attacking the Reserve Bank governor, suggesting that he was in the Labor Party’s pocket. The member for Canning subsequently retracted those statements, and he should be respected for doing that. But what we had was a concerted attack by the opposition on the government’s regulators—regulators that are critical to confidence in our financial system, and to families and businesses having confidence in our banks, our share market and other financial institutions. The opposition sought not to create confidence in the financial sector but to undermine it for their own short-term political gain.

We have responded throughout this year to liquidity problems within the financial market through the Reserve Bank of Australia. In September, ASIC also acted concertedly with other regulators around the world to temporarily ban short selling. In October, it provided a deposit and wholesale funding guarantee to the Australian deposit-taking institutions, our banks, and will continue to maintain a task force working on issues as they arise in the financial sector. The opposition has taken great joy in criticising our financial guarantee measures, but I can assure you that, in my electorate, working families and businesses were worried about their bank deposits. They were talking to me about it and I received very positive feedback in my electorate straight after we put a guarantee behind our banks.
The member for Swan indicated that the Treasurer basically bungled that. The Treasurer made the point in his speech to the parliament, introducing the appropriate legislation, that there would need to be finetuning and, in response to bank deposits, that is what the government did. We have acted nationally through a budget, through a stimulus package and through support for our regulators in the financial sector. We recognise—and I said this in my first speech to the parliament—that we need to respond internationally to the challenges we face in the financial sector.

The Prime Minister is working with the G20 countries. He attended the G20 summit a few weeks ago, which agreed to a range of different measures to support action in the international community. Those countries in the G20 agreed to work together to stabilise the financial system, to create greater transparency and to strengthen the global financial sector. They also agreed to support individual countries taking action to run stimulus packages, whether they be in fiscal or monetary policy, to work together to stimulate and strengthen their economies, as the Rudd government is doing through its $10.4 billion stimulus package. But they also agreed to open up global trade and investment to reach an agreement on the Doha Round through the World Trade Organisation this year.

Last week the Prime Minister returned from APEC. Further progress was made in relation to our commitment to free trade and our support for growth within the Australian economy and the world economy through getting an outcome from the Doha Round. It has been stalled for too long and the global financial crisis provides an opportunity for world leaders to come together and get a conclusion to that round. I look forward to the Minister for Trade, Mr Crean, continuing to work with his international partners to get an outcome from the Doha Round.

As those measures clearly state, the government are responding to the global financial crisis appropriately not only nationally but internationally. We have been endorsed by a range of different institutions. Whether it be the OECD or the IMF, they all support the measures the government have taken and the measures we are taking, working internationally with other countries. This is a serious crisis. We recognised that we needed to respond decisively, swiftly and responsibly, given the economic impact this could have on the Australian public.

In the last few weeks, as the Prime Minister outlined on his return from APEC, the situation has worsened. We have seen the share market fall further and it is now down by more than 50 per cent this year. We have also seen continual falls in housing prices, which have dropped for two consecutive quarters. Building approvals data released on 5 November showed that approvals had plummeted, to the lowest level since April 2001, indicating that housing investment is likely to be very weak over at least the next six months.

We have seen further declines in the share market and concerns about not only housing prices falling but also building and construction slowing in the foreseeable future. Falls in the housing and the share market draw confidence out of the Australian community. It is critical that the government respond appropriately. We have already responded appropriately, as I have said, with our budget measures, with our stimulus package and with our involvement and interaction with the global community. We will, if necessary, do more to stimulate the economy.

The government has said that if that is necessary it will go into a temporary deficit, and that is appropriate. This government, like the former government, has said that it will keep the

MAIN COMMITTEE
budget in surplus over the economic cycle. We are going into very difficult times and, if it is appropriate for the government to go into deficit to keep the economy growing and to continue to support jobs, the government will do that and it is the appropriate action for this government to take. This is a government that acts responsibly and that delivers for working families and businesses in this country. It will continue to do that. I strongly support the measures this government has implemented. I am proud to be part of this government, which has responded decisively and responsibly to the global financial crisis.

Mr ROBERT (Fadden) (5.29 pm)—I also stand to note the document. It is always a joy to follow the member for Leichhardt, as he stands boldly to say that he agrees that it is appropriate for the budget to go into deficit and then has the audacity to roll out ‘economic management’ in the same sentence—spoken like a true Laborite when it comes to spend, spend and spend some more. It is interesting that, as the government moves on to a whole range of economic revisionism, the facts are dispensed with—they are getting in the way of a good story. So let us go back to the facts and have a look.

It began at the start of 2008. The government got hold of the Treasury books, Mr Swan and Mr Rudd opened the books and—in clear contrast to what Howard and Costello looked at in 1996, when the sheer hell of an economy with a massive deficit, with $10 billion in interest payments, revealed itself—there it was: everything that Howard and Costello said was in order was, indeed, in order. And the only thing the government could find was inflation rising towards three per cent—and they pounced. They needed to try and disprove the outstanding economic record of the Howard-Costello years, so they pounced on inflation. The rest of the world could see the looming effect of the subprime mortgage collapse, the inherent credit tightening that that led to and the mismanagement and mistrust that had crept into banks and led to that credit tightening. Whilst everyone else could see that, and other countries across the world were lowering interest rates, increasing spending and lowering taxes, what was the Rudd-Swan government doing?

Let us look at the facts—not the rhetoric from the member for Leichhardt and the cliches that he rolls out in ever-increasing volume. What were the facts? The facts—and they are undisputed—are that the Rudd-Swan government began an assault on the Howard government’s legacy, focusing on inflation. ‘The inflation genie is out of the bottle,’ our nervous Treasurer rolled out, and our Prime Minister followed with: ‘The inflation monster is wreaking havoc.’ Comments like these were made a day before the Reserve Bank met; consequently, interest rates increased twice.

The budget came down in May. Other budgets across the world, from real economic managers, were decreasing taxation and increasing spending. Not this one, which tightened spending and increased tax by short of $20 billion. Everything the IMF said not to do this government did. Why? Because it had to try and disprove the truth of the economic miracle of the economy left by Howard and Costello. So it increased tax, cut spending and talked up inflation, which led to increases in interest rates. They are the facts. They are undisputed.

On 10 October, the Leader of the Opposition and the shadow Treasurer called upon the Rudd government to take three immediate decisions to further strengthen the economy: firstly, to increase the government backed deposit guarantee to $100,000; secondly, to increase investment in AAA based residential mortgage backed securities through the Australian Office of Financial Management purchasing the RMBSs from second-tier banks; and, thirdly, to an-
nounce an implementation schedule change of the ETS back to 2012 at a minimum. The coa-
lition said it was committed to working cooperatively with the government to expedite pas-
sage of the bills. In fact Malcolm Turnbull, the member for Wentworth, had actually written I
believe three times to the Prime Minister to say, ‘We’re happy to work cooperatively to-
gether,’ and I do not believe the Prime Minister has even replied to the letters.

Not to be outdone, our trusty Prime Minister on 12 October announced an unlimited de-
posit guarantee, to operate for three years, and a guarantee of wholesale term funding by
authorised deposit-taking institutions in return for a fee which was unspecified at the time of
the announcement. The Prime Minister told the Australian people that he was acting on the
advice of the regulators. We now know, of course, that that was simply not the case. On 12
October the Prime Minister said, ‘My officials have done considerable investigation on the
design of these arrangements and in developing these measures I have received advice from
the Governor of the Reserve Bank of Australia.’ Well, surprise, surprise—the governor was
not even in the room! You would think that, with something as monumental as an unlimited
guarantee, the head of APRA would be in the room. Surprise, surprise—his chair was also
vacant, swinging in circles. So who was in the room? The Secretary of Treasury was in the
room. That was all. The other two were not.

In the parliament the opposition asked a range of questions regarding the detail and design
of the scheme. The government was unable to answer even the most basic questions. On 21
October it was confirmed that the Prime Minister had not directly consulted the Governor of
the Reserve Bank prior to announcing the unlimited guarantee. These are the facts. On 22 Oc-
tober, during Senate estimates, the opposition learnt that the decision to increase the deposit
guarantee to an unlimited level seemed to be entirely a political decision directly in response
to the Leader of the Opposition calling for a $100,000 scheme. Senator Coonan, when speak-
ing to Dr Henry, asked:

Senator COONAN—When did you first have a conversation with any senior member of the govern-
ment about the possibility of extending the proposal for a $20,000 capped guarantee to one that is
unlimited in amount?

Dr Henry—It is hard to say. I suspect it would have been the day the Leader of the Opposition first
suggested that the $20,000 capped figure may not be adequate.

The Labor Party is particularly good at political strategies and particularly poor at economic
ones. The government had initially claimed that it had been working on the detail of its bank
guarantee for over a week and that the weekend meeting was merely to finalise details. That
statement and Secretary Henry’s statement are completely at odds with one another. So who is
correct? If Dr Henry is correct, that would cast an aspersion of duplicity on the government.

The lack of policy detail underpinning these policy decisions has caused immense confu-
sion for account holders, businesses and financial markets. Account holders were unable to
find out for certain if their savings were covered by the guarantee or not. The government was
unable to release a comprehensive list of institutions and accounts covered. To this day the list
of accounts covered is only a sample and a comprehensive list is still not available.

With the savings of thousands of Australians frozen—270,000 Australian accounts were
frozen—because of the market distortion of the guarantee, what did our Treasurer have to
say? On 23 October the Treasurer, in a press conference, said—and I will quote it so we can
all get the glory of the ‘insight’ of our nervous Treasurer:
So I say to the people who are adversely affected by some of these decisions that have been taken in these managed investment funds, do fully investigate your eligibility for income support through Centrelink, that’s what I say to them.

Thank you, Mr Treasurer, for your erudite insight! The Treasurer then went on to deny ever having made his callous and disrespectful remarks. On 25 November he said:

I did not say that all people in managed investment funds who were experiencing problems should go to Centrelink.

Really? You did not, Mr Treasurer? That is odd, because at a press conference on 23 October you did. One can only suggest there is something duplicitous about what the Treasurer re-marked.

It was revealed on 21 October that the Reserve Bank Governor had written to Treasury Secretary Henry on 12 October informing him that there should be a cap on the guarantee and ‘the lower the better’. On 24 October the Treasurer announced that a $1 million cap would now apply. The exclusion of foreign bank branches from the guarantee resulted in a rush of transfers from foreign bank branches to banks covered by the guarantee. On 28 October the government finally sorted it all out. After the Treasurer, on the preceding Wednesday, had said it would cover all deposits—so it was a deposit tax—on the Friday he changed his mind again.

It is interesting to note, as we reflect on Australia’s response to the global financial crisis and as I have gone through a list of facts that are not disputed by anyone, that we are the only country in the developed world—the only one—that has gone backwards, that is worse off because of the government’s decision making. Fact: we are the only country in the developed world where government decisions in the last few months to deal with the crisis have had adverse impacts. I am sure Treasurer Swan is incredibly proud of that!

Then the government released its Mid-Year Economic and Fiscal Outlook, and at the same time Access Economics, in the Australian of the week of 24 November, made it clear that future Labor budgets would be in deficit, by about $1 billion next financial year, on current spending—preceding that announced by COAG—and by $4 billion in the following two years. And the member for Leichhardt stood here full of cliches, glibly saying that this government is shrouded in good economic management.

Look at the stimulus package of $10.4 billion. There was no economic modelling, no Treasury modelling, to see whether the stimulus that was put out there would indeed meet its stated intent. There was no regulatory impact statement—nothing. Look at the wholesale term funding guarantee the government rolled out. It said there was no need for legislation and then finally, under pressure from all quarters of the economy and from the opposition, it conceded that legislation was needed.

We are here today to take note of the government’s response to the global financial crisis. Well, we certainly take note and we certainly point to the blunders, the mishaps, the knee-jerk reactions, the policy on the run and the attempts at one-upmanship on the opposition leader, all of which have led to this government making errors and making the economy worse. That is its response to the global financial crisis.

At the announcement of the budget, the Treasurer said he expected the Building Australia Fund to receive $20 billion in instalments from Labor’s surplus over the next two years. The
question is: where is the money coming from now that there are no surpluses, now that it is highly likely the budget is actually in deficit? We are not looking at funds that will continue to pay dividends—just at rapidly depreciating funds.

The Nation-building Funds Bill is very telling in that it establishes three separate financial funds: the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund. The building fund will have initial capital of $12.6 billion—$7½ billion from the Howard-Costello surplus from 2007-08, plus the proceeds from T3 and the balance of the Communications Fund, all from the Howard-Costello years. The education fund will have $8.7 billion—$2½ billion from the 2007-08 surplus and the remainder from the now closed Higher Education Endowment Fund, all from the Howard-Costello years. The health fund will have $5 billion entirely from the 2007-08 Howard-Costello years surplus. So these funds have a total of $26.3 billion at their inception on 1 January next year, of which not a single dollar is coming from any surplus from the Rudd government in 2008-09—not one dollar, not a single dollar. Through you, Madam Deputy Speaker, I ask the member for Oxley, who is in the chamber, to throw in at least 10c so this government can say it at least contributed something to the $26.3 billion-and-10c infrastructure funds, because right now the Labor government has not put a single cent into the infrastructure funds—not a cent. These are funds that the Howard-Costello government built up, and the Labor government is just grabbing them to do what Labor governments do best. And we all know what that is: surprise, surprise, it is to spend.

So we certainly take note of the Australian government’s response to the global financial crisis. In many quarters, it is considered a poor response. They are now looking for a leave pass to go into deficit because they will not make the tough decisions. They say growth is at two per cent and then they say, no, growth is less than that, but they will not make the tough calls. They want a leave pass to go into deficit because deficit is easy. Yet the Canadian Prime Minister is forecasting growth in Canada of only 0.6 per cent and he is saying with confidence, ‘We will stay out of deficit.’ This government does not have the character or the confidence or the ability to keep out of deficit. This government wants a leave pass to plunge the nation into debt, and it will not receive it from the opposition.

The DEPUTY SPEAKER (Ms Saffin)—Before I call the honourable member for Bendigo, could I remind members on both sides that some speakers have been straying dangerously close to imputations and reflections, which are always disorderly.

Mr GIBBONS (Bendigo) (5.45 pm)—I rise to comment on the contribution of the member for Fadden to this debate on the global financial crisis. There is no doubt about it: he could get a job as a fiction writer or novelist as soon as he leaves this place, because he is a great storyteller. It would be fiction, of course. I would like to speak on the Prime Minister’s statement on the global financial crisis and the government’s response to it.

The world is in the throes of the worst financial crisis since the 1930s. Some economists estimate that the falls in share prices and property prices alone will wipe $15 trillion off the wealth of households in the United States. This is an enormous amount—equivalent to more than one year of America’s entire economic output. And the financial crisis is now spilling over into the real economy, where it threatens to cause a global recession that will cut growth and jobs in Australia and around the world. The economic slowdown has already hit our own region—including China—and I am seeing the effects of this in my own electorate of
Bendigo. A mining operation in central Victoria that supplies gold and antimony to smelters in China has just laid off 80 per cent of its staff due to a collapse in orders.

But as we prepare for the tough times ahead it is important that we do not lose sight of the reasons for the situation in which we now find ourselves. Deregulation and unfettered free markets are delivering just what they always have in the past—chaos, concern and uncertainty for ordinary working people. Time and time again in our history, free markets have been found wanting. Time and time again the private sector has demonstrated that it cannot be trusted to exercise moral and social responsibility. It cannot be trusted to regulate itself and control its own excesses. It cannot be trusted to operate in anyone’s best interest except its own. And time and time again the private sector has had to be bailed out by government—bailed out by taxpayers, which, of course, means bailed out by the ordinary working people of the world.

The world’s largest economy has been brought to its knees by unscrupulous and incompetent bankers whose freedom to lend money to people who could not afford to repay, and to take on risks they could not manage, was encouraged by increased deregulation. And the Liberal Party, under the extreme economic policies of John Howard and the member for Higgins, tried to take this country down the same path as their neoconservative heroes in the United States. Deregulation and privatisation were the answer to everything, from telecommunications to teaching, from railways to roads, from highways to health care. If it was possible to divert investment away from public assets and services and into the hands of the private sector, the Liberals and their agrarian socialist sidekicks would find a way.

Fortunately, this madness came to a halt with the election of a Labor government. The Australian people are not stupid and, when John Howard forced through his extreme Work Choices legislation without an election mandate, voters said, ‘Enough is enough.’ They recognised that the coalition’s deregulation of the workplace was a step back to the freewheeling Victorian times. They did not believe the Howard government when it said that all this regulation to protect workers’ basic conditions and rights was not necessary. They didn’t believe the Howard government when it said employers could be trusted to behave ethically and honestly. They did not believe the Howard government when it said the private sector could be trusted to control the excesses of its more extreme members. And they were right. We are now seeing how that very same approach has led to the current global financial meltdown, and we are indeed fortunate that the Australian people saw through the coalition when they did.

Australia is in a good position to manage the effects of this economic turmoil. The Organisation for Economic Cooperation and Development in a report last week predicts that we will be one of the few countries to avoid a recession during the current global downturn. But we are not in this position by accident. We are in this position because of the great economic reforms of the Hawke and Keating Labor governments of the 1980s and 1990s. The economy that Bob Hawke and Paul Keating inherited in 1983 from the Fraser government and its Treasurer John Howard was a mess. There was a forecast budget deficit of $9.6 billion, which the former government had covered up during the election campaign. Hawke and Keating were left to find out about it from the Treasury after they won office.

As Treasurer, John Howard had presided over inflationary wages growth of 16 per cent and an unemployment rate of 11 per cent. And in 1982 John Howard gave Australia its highest cash rate since the Second World War—21.4 per cent. That is the same John Howard who for
years misled voters with his claim that interest rates are always lower under a coalition government. This country badly needed economic reform in the early 1980s, yet almost none took place during John Howard’s five years as Treasurer. His sole positive legacy to his successor, Paul Keating, was a copy of the Campbell report on the banking system—even though the sun had faded it as it sat on a bookshelf in his office. So it was left to Labor to undertake the great economic reforms that this country is still reaping the benefits of today.

The Hawke and Keating governments opened up the financial, manufacturing and labour markets of Australia. They floated the Australian dollar, they cut tariffs, they opened up competition among the banks and they introduced enterprise bargaining. Removing tariffs meant lower prices for consumer goods—whitegoods, televisions, hi-fis, computers and motor vehicles—for all Australians. Enterprise bargaining removed a century of centralised wage fixing and boosted productivity and real wages for working Australians. By the mid-1990s, productivity growth was averaging 3.3 per cent a year and real wages were growing at two per cent a year. It was the flexibility brought about by these reforms that prevented our economy from collapsing after the Asian financial crisis of 1997 and kept it growing during the recession in many Western economies from 2000 to 2003.

The Governor of the Reserve Bank, Glenn Stevens, told Asian investors in 2006 that Australia was much better equipped to cope with the hazards of global capital flows after the sweeping economic reforms of the 1980s—reforms introduced by the Hawke and Keating Labor governments. And former Reserve Bank Governor Ian Macfarlane said that the decision to float the Australian dollar was ‘one of the most important ever taken by an Australian government in the field of economic policy’. Australia is now well placed to ride out the coming economic storm, as the OECD re-affirmed this week, as a result of these structural changes by successive Labor governments—not, as we hear so often from members opposite, because of the so-called economic management of the Howard-Costello government.

John Howard and the member for Higgins rode on the back of a resource driven economic boom; the Chinese did more for the Australian economy than they ever did. For 11 years John Howard and the member for Higgins ran the highest taxing and highest spending government in our history. John Howard used taxpayers’ money to buy electoral success and, in doing so, undermined the sound economic management of the Treasury and the Reserve Bank. Even his own Treasurer, the member for Higgins, questioned the fiscal responsibility of Howard’s spending.

I have to foot the bill and that worries me—
he told John Howard’s biographers. He went on:

... I start thinking about not just footing the bill today but in ... five and 10 and 15 years, and you know I do worry about the sustainability of all these things.

That is what the member for Higgins told the Howard biographers.

Productivity growth also collapsed under the Howard government. I mentioned earlier that, largely due to the introduction of enterprise bargaining by the Keating government, productivity growth was running at 3.3 per cent a year in the early 1990s. Treasury data shows that 80 per cent of the improvement in the living standards of Australians over the past 40 years has come from increased productivity. Yet between 1998-99 and 2003-04, under the coalition, productivity growth went down to 2.1 per cent, and after 2003-04 it fell further to just 1.1 per
cent. The Reserve Bank governor has noted that this long-term decline in productivity is now the long-term economic challenge for Australia. But John Howard's answer to productivity was his ideologically driven Work Choices and individual employment contracts. As Paul Keating pointed out last year, if you reach agreement to improve productivity with 200 or 300 people in a workplace and share the results between wages and profits you have got a good chance of it happening, but if you take one person at a time, bring them into the boss's office and cut their wages then there is no chance of getting any productivity improvement. The fact is that the Howard government blew the benefits of the resources boom.

'I hate the fact that we have wasted so much money,' Access Economics director Chris Richardson has said of the Howard-Costello era. Richardson calculated that more than half of the government's China driven revenue windfall was blown in personal income tax cuts and increased government spending. And this was after the government's own 2002 Intergenerational report made a strong case for budget restraint. Small wonder that John Howard's biographers speculated that the member for Higgins squirreled away money in the Future Fund not to keep it out of the hands of a future Labor government but to keep John Howard's hands out of the till.

Now, in a time of economic disorder and uncertainty, Labor has once more been left to deal with the consequences of John Howard's irresponsible economic management. As Michael Stutchbury, the economics editor of the Australian—a journalist hardly renowned for his radical views in a newspaper that is hardly a cheerleader for this side of politics—wrote in November:

Rudd's problem is that the spending programs John Howard and Peter Costello embedded in the budget during the boom are now unsustainable.

With the private sector unable or unwilling to spend enough to keep the Australian economy growing, the government has no alternative but to step in. The Rudd government is taking decisive steps to stimulate the economy. It has already announced $10.4 billion in an Economic Security Strategy to underpin growth. Other governments around the world have resolved to take similar action, even if it means taking their budgets temporarily into deficit.

Labor has also taken strong and decisive action to stabilise our financial system. Bank deposits have been guaranteed to maintain confidence in our banks and protect people's savings, and wholesale funding for the banks has also been guaranteed so that credit can continue to flow. A $4.8 billion down payment on long-term pension reform and $3.9 billion of additional payments to families will help stimulate consumer spending. Increases in the First Home Owner Grant scheme will encourage new house construction. Labor's $6.2 billion New Car Plan for a Greener Future will support Australian automotive manufacturing and Australian jobs. The Australian government was one of the first in the world to adjust its fiscal settings to the new global economic conditions. The government remains determined to take whatever action is necessary to maintain the stability of the economy into the future.

Mr RAMSEY (Grey) (5.56 pm)—I rise to my feet a little less prepared than I would normally be to speak on this issue, as I am waiting for my colleague to appear. The financial crisis which is sweeping the world is of great concern to all of us. We are in unprecedented times. Not since the 1930s have we seen the kind of meltdown in global markets that we have seen in the last six months. However, many of these changes were largely telegraphed. In fact,
Peter Costello said in launching the Liberal Party campaign last year that the biggest concern facing the Australian economy was the subprime meltdown in the American market.

As the election result became a reality and we installed the Rudd government, in the very first days of the parliament, when I came to Canberra to sit in my first parliament, it became obvious that the government were intent on finding fault with the previous government—a government that had paid off $96 billion worth of debt, saved $60 billion and left us with a $20 billion surplus. The new government focused on the problem of interest rates. They said that was the thing the Costello treasurership and the Howard prime ministership had, mishandled showing that Australia was in such poor economic health. They picked wrong. They made a bad mistake. They tightened spending. They increased government taxes and we had a two per cent blow-out of interest rates at a time when there was no need to do so at all. It would appear now that the best advisers in the country also got it wrong. The Reserve Bank made an error and the government were only too happy to go along with them. Rather than actually resisting the push to raise interest rates, they agreed.

The government has become a government of its time. The times suit Labor. Labor have a reputation for spending every time they get into office. Labor have a reputation for running up deficits. Labor are very good at what they have been doing in the last six months. Since the tabling of the budget in May we have seen the total erosion of a $22 billion surplus. A $22 billion surplus is completely gone in six months. One would have to wonder just whether we can keep on doing this. I guess that is the question we have to ask ourselves. What happens with the next six months and the six months after that? At this rate, if the government keep spending $22 billion worth of savings every six months, in 18 months the $60 billion that was squirreled away by the former Treasurer and by the former government will be completely eroded and not only will we have a deficit but the Australian government will also have a net debt again.

Mr Ripoll—They were spending like drunken sailors before they left office.

Mr RAMSEY—I hear references to spending like drunken sailors from the government benches. I refer to the government’s record in this area: $10.4 billion in six months—in fact, in a week—is an extraordinary performance. I have heard a lot of talk too about the big spend being good for the pensioners. Unashamedly it is good for the pensioners, but the opposition had been calling for a genuine across-the-board increase to pensioners’ rates for a period of some weeks before the government suddenly discovered that it would be a good thing to spend money in the economy so that, in that case, they could pass on their largesse to the pensioners. You have to wonder whether the pensioners would have received any relief at all if the financial crisis had not come along and given the government an excuse to spend the savings that the previous government had accumulated.

We have seen an extraordinary performance from the previous speakers as they went on a ‘hunt down John Howard’ case, dredging back over 20 years. Goodness me! They must be desperate to try and divert attention away from their mishandling of the global financial crisis.

The point I am trying to make here, amongst others, is that the government have jumped on this financial meltdown in world markets with great glee. They are now using that to justify every movement they make in government and they have abandoned the fiscal conservatism that the Prime Minister used to clothe himself with during the election campaign, when he said on no fewer than 10 occasions that he was a fiscal conservative and he would deliver a
Mr BRADBURY (Lindsay) (6.02 pm)—I rise to take note of and to support Australia’s response to the global financial crisis. I wish to take this opportunity to put on record my support of the very strong and decisive action that has been demonstrated by the government consistently now over a period of months in trying to respond to what are enormous challenges being faced by countries right across the world, whether they be in the developed world or the developing world. This international financial contagion knows no limits.

Mr BRADBURY—The global financial crisis has been sweeping right across the world, and no country has been safe from its impact. This international financial crisis has now been occurring for over a year, although the most severe effects of the crisis have been felt most recently. In assessing the extent to which the government has been able to confront these challenges, to prepare the economy and guide it into these headwinds, one really needs to look at some of the history of what has occurred over the last year.

Clearly the pressures that were being felt in the credit markets just over a year ago have taken some time to flow through into other sectors of the economy. Some time earlier this year we were beginning to see the more severe effects on our credit markets, with widening spreads having an impact on the funding costs particularly of our banks. That manifested itself in increases to mortgage rates that were outside of the Reserve Bank official cash rate cycle. Indeed, since there have been movements in the official cash rate cycle, banks have not always acted in lock step with those movements, principally because of the funding pressures they have been facing as a result of the global credit crunch.

Mr BRADBURY—I will not cover any of the ground already covered and I will move straight into the rest of my contribution to this debate. When we consider the extent of the government’s contribution to steer the economy into the headwinds that we are facing internationally we really have to go back to the budget. The budget set out the government’s plan for securing and reinforcing a budget surplus. The proposed surplus handed down in the budget in May was over $21 billion over the life of the budget—$21 billion. In large part, many of the measures that have been thwarted in the Senate—principally by those on the other side—have whittled away that surplus, so the surplus is not the $21 billion that it was when it was handed down by Treasurer earlier this year.

The first thing that the government has done is to run a strong fiscal policy. Notwithstanding its better efforts, some of the edge of that fiscal discipline has been taken off by the obstructionism of those on the other side. If we look at some of the measures that have since been taken, we see that on 12 October the Prime Minister announced the government’s response to the issue of bank guarantees. This was the first clear demonstration and it became very characteristic of the very decisive action and the way in which the government has sought to respond to this crisis. In making the announcement on 12 October the Prime Minis-
The Leader of the Opposition is very fond of claiming credit for suggesting that there should be a purchase of residential mortgage-backed securities. In fact, I went back to the interview that he cites as evidence that he was out there, acting ahead of the curve—"to use an expression that we have heard elsewhere—advocating this course of action before the government had announced it. It was an interview with Laurie Oakes, on 22 September, where the Leader of the Opposition said:

We know that it has been very, much harder for banks, particularly the second-tier banks and financial institutions, to refinance mortgages and that’s one of the reasons why the cost of mortgages has gone up, why interest rates have gone up. Now, in other markets, the government, particularly in the US, the government is taking a role, proposing to buy back, buy some of these securities, in effect to provide additional liquidity to take the pressure off mums and dads.

Let it be clearly understood that the references there to what was occurring in the United States are fundamentally different from what was proposed by the Prime Minister in the form of acquiring residential mortgage-backed securities. The course of action that had been taken in the United States was in the nature of a bailout, buying up bad securities, bad mortgages. There has never been any suggestion from the Australian government that taxpayers would take on the liability of bad mortgages. So even the very interview that the Leader of the Opposition cites as being evidence of him out there, advocating for this policy initiative before anyone else, demonstrates a lack of understanding about the key measure that is in question here. That is the first point I make.

The government acted decisively, based upon the findings of the House of Representatives Standing Committee on Economics inquiry into competition in the banking sector. Certainly the government acted before those findings were handed down in a formal way, but the discussions that occurred in that committee hearing and indeed the evidence that was taken from the various submissions pointed very much in the direction of taking this course of action and, at the first opportunity, the government took that form of action. Once again, we see an example of decisive action, preparing the country and responding to the global financial crisis.

In relation to the guarantee of term funding for institutions, I note that those on the other side are very fond of criticising the process that was undertaken. Let it be understood by the House that the action that was taken and the timing surrounding the taking of that action, in large part, was the most significant reason why we have now seen a liberalisation, if you like, on credit markets. We have seen a thawing of those credit markets that have previously been clogged up. The best evidence of that was the broadening spreads on those markets.

What we have seen since these announcements on providing guarantees is a greater degree of confidence in the marketplace. We have seen a greater degree of lending going on between banks and all of the interbank lending rates have demonstrated the improvement in that regard. As a result, funding costs for banks have improved and, with that improvement in funding costs, we have now seen not only cuts from the Reserve Bank but also that the private
banks, the commercial banks, have the capacity to pass on those interest rate cuts, and they have been doing that.

In relation to the Reserve Bank’s actions, we have now had, for the first time in a very long time, fiscal policy and monetary policy acting in harmony. It has been a long time since that has been the case. For far too long we had the Reserve Bank putting its foot on the brake whilst the previous government was throwing more fuel on the fires of inflation. So, in achieving that harmony between the fiscal and monetary policy, we have seen further evidence of a competent and decisive response to the challenges that have emerged.

I also wish to comment in relation to the Economic Security Strategy, which is the next link of the government’s response to the global financial crisis. In particular, there was the $4.8 billion which was the immediate down payment on long-term pension reform. In addition to that we had the $3.9 billion in support payments for low- and middle-income families, as well as the $1.5 billion set aside for the amendments to the First Home Owner Grant. We have also seen the $187 million invested in productivity places and, most significantly, we have seen an acceleration of the government’s proposals in relation to its nation-building agenda. I know that the nation-building bills are in fact before the House at the moment combined with the COAG reform bill. The nation-building initiatives that were previously announced by the government will now be brought forward and accelerated under the Economic Security Strategy. They have been combined with the efforts of the government in its recent meeting with the Australian Council of Local Governments and its commitments in relation to the regional and local community projects fund. The government has announced a $300 million fund, with $250 million already allocated to councils and all councils receiving some funding. The key emphasis of that funding is that it go towards programs that are not in the ordinary course of the councils’ financial activities, programs that are not already planned for, but also the programs are to be delivered in an expeditious way to ensure that this money comes into the economy as quickly as possible to keep the economic wheels turning over.

In addition to that, we have seen more recently, over the weekend, the government progressing its COAG agenda at the Council of Australian Governments meeting. An additional $15.1 billion is to be invested in the key services of health, education, housing and disability services—not to mention better aligning things to produce the seamless national economy, breaking down the barriers that have existed, the vestiges of Federation, where the duplication of laws across the nine jurisdictions could sometimes impede business growth and development.

All of these measures when combined demonstrate that the government has been well and truly up to the job of responding to these challenges—indeed, as has been said before, it has been acting ahead of the curve. The government has been very proactive. These are measures that have been taken. The Prime Minister has been talking about these things well and truly in advance of other countries actually acting, and has always been acting on the advice of the council of economic regulators, notwithstanding what the opposition say. That group has been providing key advice to the government, and there is no suggestion from anyone that any of the advice provided by the council of economic regulators has not been acted upon. Acting on the best advice, the government has implemented decisive measures which will, in large part, really start to make their way into the economy in the next week or so. The government will be monitoring the impact of that injection of funds through the fiscal stimulus, and the gov-
ernment does stand ready to act in the event that that does not provide sufficient stimulus in order to help us continue to run a strong economy against these headwinds in international finance.

The DEPUTY SPEAKER (Mr S Georganas)—Order! The debate is interrupted in accordance with standing order 192. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member will have leave to continue speaking when the debate is resumed on a future day.

STATEMENTS BY MEMBERS

HMAS Armidale

Mrs MARKUS (Greenway) (6.40 pm)—Today we remember the crew of the HMAS Armidale—those who lost their lives and those who fought to survive. On this day 66 years ago, the HMAS Armidale was making her way with HMAS Kuru and Castlemaine to Betano Bay, Timor to resupply and evacuate troops and civilians. But during this treacherous journey they were spotted by Japanese reconnaissance aircraft and repeatedly attacked. All three ships survived initially but, following additional attacks, the Armidale tragically sank. One hundred and forty-nine men bravely fought against the Japanese attack, defending their ship. Many lost their lives during the battle, and many died while fighting for survival in a relentless, unforgiving ocean. The men who did survive the attacks constructed a makeshift raft which was attached to a half-sunk whaler and a motor boat. They were fighting for their lives. They were fighting not only nature for eight days but also enemy fire. Tragically, the sailors who remained behind, clinging desperately to the makeshift raft, hoping for rescue, were not saved. All told, a hundred sailors lost their lives. Today we stop to remember those who lost their lives while serving on the HMAS Armidale and those who fought to survive. We will remember them.

Swiftsure Regatta

Ms COLLINS (Franklin) (6.41 pm)—I want to talk about the annual Swiftsure Regatta, which is a small regatta held in the town of Franklin on the beautiful Huon River in my electorate. It was my pleasure to go there a few weeks ago and see the kids on the water, having fun in the wooden boats and testing out their new-found aquatic skills, thanks to a wonderful community program developed by the Huon cluster of schools and the Living Boat Trust. I was thrilled to be part of the day and was happy to announce a $100,000 funding package for the ‘On the water’ project. This 18-month project has been funded through the Australian government’s Healthy Active Australia Community and School Grants Program that is part of the Australian Better Health Initiative.

The funding will give the Huon Valley children an opportunity to acquire skills by participating in a safe and enjoyable introduction to water safety, small boat sailing and rowing, as well as a school based health and fitness program. It was developed by the Living Boat Trust and the Huon Valley cluster of schools. They use oars and sails on a variety of craft to help children remain active and healthy. It really is an important outcome of the project. The Rudd government is committed to measures which aim to promote good health, and we know this starts with educating our children through local programs to help them stay active. The project could not be successful without the hard work and dedication of the schools and the Living Boat Trust. I would like to place on record my appreciation to the principals from the Huon...
cluster, who have developed this creative opportunity for students. I was proud to be part of the program. (Time expired)

Wivenhoe Dam: Water Recycling

Mrs MAY (McPherson) (6.43 pm)—I welcome the news that the Premier of Queensland has backflipped on her government’s decision to pump recycled water into Wivenhoe Dam to supplement drinking water supplies for South-East Queensland in February 2009. Labor Party polling has the Premier spooked, and rightly so. You cannot continue to ignore the will of the people and expect them to re-elect you. First, Premier Beattie promised a referendum. Then he changed his mind. Then Premier Bligh told Queenslanders they should be proud to drink recycled water. Then she changed her mind, stating: ‘There is no shame in changing your position on something when circumstances change.’ Premier Bligh has now announced recycled water will only be used as a last resort. But we cannot trust this government not to change their mind again. There must be a genuine commitment to give the people of South-East Queensland a say on their water future and hold a referendum.

Public health must be at the forefront of any debate on recycled water. Many experts point to the process not being 100 per cent fail-safe and to the possibility of human error during the treatment process. Public opinion and the Labor Party’s own polling has shown without doubt that a majority of Queenslanders are concerned about the reliability of recycled water. In particular, people have contacted my office concerned about the potential for harmful medication, viruses and hormones to slip through the treatment process. Others are worried that allergies or illness could be exacerbated by any chemicals that are not removed from the recycled water supply. People take water security seriously. The Labor Party in Queensland needs to take the people seriously and guarantee they will be given a choice on drinking recycled water, not just be told what the Premier thinks is popular when an election is around the corner. (Time expired)

Mr Bill Jakobssen

Mr HAYES (Werriwa) (6.44 pm)—I rise this evening to acknowledge the contribution of a very special resident in my electorate, Bill Jakobssen, who sadly passed away earlier this month. The passing away of any community member generally involves much sadness, as families come together to celebrate their life. Unfortunately, due to parliamentary commitments, I missed Bill’s funeral. This was a very special man—a person who was much loved by all residents in Macquarie Fields. Bill was born in Sweden in 1924 and worked as a ship’s carpenter, which brought him to Australia for the first time in 1947. It was shortly after that that he met his wife of 55 years, Helen.

Bill returned to Sweden with Helen two years later. When she became homesick after having their first child, Peter, they returned to Australia and settled down in Macquarie Fields. Bill built his own home there and set about raising a family and contributing significantly to our local community. Bill and Helen married in 1953 and raised three more children—Sandra, Nils and Katherine—and eventually went on to enjoy nine grandchildren and nine great-grandchildren. Bill became a very proud Australian citizen in 1959. Away from the sea Bill worked as a cable maker at Cablemakers, Liverpool. He worked there for 34 years until he retired at the age of 70. Bill was a tireless campaigner for workers’ rights during his long working life. (Time expired)
Millennium Development Goals

Mr WOOD (La Trobe) (6.46 pm)—On 13 October this year I had the great pleasure of meeting Fiona Grech from Micah Challenge as part of the Voices for Justice 2008 gathering, an event that brought together individuals from across Australia who are committed to seeing the Millennium Development Goals achieved. I met with Ms Grech and her fellow advocates, Ms Anna Boyd, Ms Lyn Jackson, Ms Bridget Meli and Mr Steve Bradbury, to discuss the Millennium Development Goals.

The Micah Challenge is committed to lobbying the government to achieve the Millennium Development Goals by 2015—in particular, halving global poverty, improving maternal health and reducing child mortality. In the Asia-Pacific region, sadly, 34,000 mothers and 400,000 children die every year from preventable causes, and across the world one woman dies during childbirth every minute, which is a disgrace.

Of all donor nations, Australia ranks 15 out of 22 in terms of aid commitment. To reach our international aid target and achieve the MDGs, Australia needs to increase its aid contribution to 0.7 per cent of GNI. By increasing health aid to $1 billion over the next three years, Australia could help prevent over 240,000 child deaths and 26,000 maternal deaths. I congratulate Fiona Grech and all Micah Challenge advocates for their passionate pursuit of the Millennium Development Goals.

4th Annual State Conference for Primary Health Care, Research, Evaluation and Development

Ms PARKE (Fremantle) (6.47 pm)—Last Saturday I spoke on the opening day of the 4th Annual State Conference for Primary Health Care, Research, Evaluation and Development at the University of Notre Dame in my electorate of Fremantle. Primary health care is critically important, and it follows that research, evaluation and development in this area is critically important. The PHCRED strategy is a program funded by the Commonwealth government which promotes and supports a collaborative research culture between consumers and organisations to develop and improve primary healthcare policy, practice and service delivery. All things considered, especially in a global context, we are lucky that we have what is, by world standards, a very good health system. But we know it could be better, and in some areas, like Indigenous health, it could be a lot better.

One of the speakers at the conference was Associate Professor Lyn Henderson-Yates, Director of the Centre for Indigenous Studies from the Broome campus of the University of Notre Dame. The centre, which just opened in August, aims to contribute to the country’s stock of Indigenous knowledge by engaging in several research projects. These will hopefully strengthen Aboriginal communities and provide them with the ability to advance the health and welfare status of their members. At this time, in a post-reconciliation Australia, research and development funding is not a luxury, it is not an added bonus and it is certainly not an indulgence—it is an absolute necessity.

I want to also take the opportunity on this World AIDS Day to add my voice in support of those involved in very important HIV-AIDS research work.

Red Frogs Australia

Mr ROBERT (Fadden) (6.49 pm)—The humble red frog has been the icebreaker at Schoolies Week for the last 11 years, since its introduction on the Gold Coast in 1997. Starting
with only 80 kilograms in the first year, Red Frogs Australia will distribute over nine tonnes of red frogs this year. Andy Gourley, founder and director of Red Frogs Australia, was a youth worker visiting one of his friends at Schoolies Week when he saw the overwhelming need for young people to be kept safe as they celebrated Schoolies Week.

Schoolies Week is a three-week celebration held for year 12 students at the completion of the school year. For the majority of students, it will be the first time they experience a holiday without family. The event has now been operating for over 19 years and takes place in 17 locations around Australia and three in South Africa. But it is on the Gold Coast, where I hail from, that it is of particular interest.

The Red Frog Crew, made up of hundreds of volunteers on the Gold Coast, aim to support tens of thousands of schoolies through their week-long celebration. I pay tribute to those tireless volunteers who will assist young people by walking them home, cooking pancakes, cleaning hotel rooms, handing out red frogs and offering emotional support to a bunch of schoolies who are hoping to have a good time in a safe environment. I support their work.

Mr Bill Smith

Mr BRADBURY (Lindsay) (6.50 pm)—I rise to mark the passing of a great man from my community, Bill Smith. He worked for 43 years on the railways, coming to the profession in 1937, in what was arguably the golden era of rail travel in Australia. Bill’s four decades of service to the railways took him all over the state of New South Wales, from Condobolin, where he began his career as a porter, to the industrial towns of Newcastle and Port Kembla, and to the regional centres of Cowra and Griffith. At each stop on the journey, it seemed, his family grew. Billy ended his career in 1980, serving at Orange as one of only six special station masters in the state, before retiring to Penrith.

Bill’s life on the railways forged within him a devotion to the ideals of the Labor Party. Bill joined 67 years ago as a 21-year-old and was made a life member, like his wife of 64 years, Eileen, in 1980. For Bill, the Labor Party was about a fair go for the worker. Bill, even in his 80s, was a tireless worker in all my election campaigns. I know how happy he was this time last year to see the notion of a fair go restored to our nation.

Bill will be sadly missed by Eileen and his family and by local ALP members. He was a great Australian who was passionate about his country, his sport and his community. We are all better for having known him. My sympathies and best wishes go to Eileen and his family.

Swan Electorate: Fraser Park

Mr IRONS (Swan) (6.52 pm)—On Saturday evening I attended the opening of the new clubrooms at Fraser Park, in the suburb of Victoria Park in my electorate of Swan. Fraser Park was originally named after James Macintosh Fraser, who represented the Victoria Park Ward on the Perth City Council from 1928 to 1937. James Fraser died in 1961, but this marvellous park remains in his honour. The previous Curtin Victoria Park Cricket Club clubrooms that stood in the park were built in 1974 for $37,000. The lowest tenderer neglected to factor in the cost for plumbing fixtures. It was decided that sometimes it is worth having to pay a little bit extra to have access to running water and toilets, so the lowest tenderer lost out.

The brand-new building, which opened on Saturday, was designed by architectural draughtsman Andrew Myers, a local resident of Victoria Park. The decision to start from scratch was really about keeping the wellbeing and equity of user groups in the wider com-
munity in mind. The existing different floor levels made universal access difficult. The Town of Victoria Park has a commitment to building an inclusive community, where all people, regardless of whether they visit with wheelchairs, scooters or prams, can access our quality lifestyle facilities and services. The total cost of this excellent new facility was $758,000.

I would also like to thank the Town of Victoria Park staff who have been instrumental in bringing this project to fruition. I thank staff from the town’s technical services, particularly Rod Grygic, who was involved from start to finish, and also Sue Ward Horner and Susan O’Donoghue, who, I am reliably informed, have been of great assistance, especially to the cricket club, over the years.

Mr Alby Burgin
Postal Services: Jewellstown Plaza

Ms HALL (Shortland) (6.53 pm)—I would like to acknowledge and pay tribute to the life of Mr Alby Burgin. He was a Freeman of the City of Lake Macquarie and he died last week. He was a committed sailor. Days before he died, he was sailing on Lake Macquarie. He was 93 years of age. He was a regular attendee at every citizenship ceremony at Lake Macquarie. He was a truly great and committed Lake Macquarie resident and a person who cared about and worked to serve Lake Macquarie at all times.

I would also like to bring to the attention of the House an issue I have raised on many occasions, which is a post office at Jewell. I have referred many petitions to the Petitions Committee. I have with me today a folder of letters of support for the post office at Jewell. I seek leave to table that folder and ask that that folder be given to the Petitions Committee because it contains a lot of information that would be very helpful to them in their deliberations. It supports those petitions that they have already received and also the fact that we need a post office at Jewell.

Leave granted.

The DEPUTY SPEAKER (Mr S Georganas)—Order! In accordance with standing order 192A the time for members’ statements has concluded.

PRIVATE MEMBERS’ BUSINESS
Citizen Military Forces

Debate resumed from 24 November, on motion by Mr Bruce Scott:

That the House:
(1) reaffirms the definition of ‘veteran’ as set out by the Department of Veterans’ Affairs;
(2) endorses the ‘Continuous full time service determination’ signed on 28 August 1998 by the Minister for Veterans’ Affairs enabling members of the Citizen Military Forces (CMF) who served in Vietnam to meet the definition of ‘veteran’;
(3) encourages the Department of Veterans’ Affairs to:
   (a) recognise claims by CMF members from that date; and
   (b) take appropriate measures to contact servicemen and women to whom the determination applies with a view to retrospective payment.

Mr BRUCE SCOTT (Maranoa) (6.55 pm)—I call on the Department of Veterans’ Affairs to take appropriate measures to contact our service men and women to whom this determination applies. I also openly express my admiration for the members of the Citizen Military
Forces in its various forms over the last century and a half. The younger generations of our nation today may not recognise the term CMF, as now it is known as and its role is filled by the Australian Army Reserve. Australia’s volunteer defence force has been helping to protect Australia’s sovereignty since before Federation. In fact, it was the outbreak of the Crimean War in 1854 that prompted the formation of volunteer forces in South Australia, New South Wales and Victoria. Since then Australia has always had a reserve force ready to commit its support to the defence of our nation.

When Australia became a federation, a part-time force of citizens known as the Commonwealth Military Forces, or CMF, was formed to protect Australian territory. The Australian Regular Army was established after World War II, in 1947, and to support it the Citizen Military Forces was reformed. The CMF, which was renamed the Australian Army Reserve in 1974, has been a crucial support base for the Navy, Army and Air Force and has been involved in a number of conflicts since 1947, including the Korean War, the Gulf War and the current fight against terrorism in Afghanistan. It was during the Vietnam War, however, that members of the CMF again showed their courage and their willingness to fight for the freedoms we in Australia so often take for granted. In 1964, in the face of rumbling conflict in South-East Asia, the Australian government reintroduced national service to strengthen Australia’s military power. A year later, an infantry battalion was sent to South Vietnam at the request of the South Vietnamese government. By 1967, 8,000 personnel were deployed in South Vietnam, including a large number of CMF members. Many of these CMF soldiers saw what our full-time and conscripted troops saw—death, destruction and the other horrors of war. Yet it was not until the end of the century that their service in Vietnam provided them the same recognition as the rest of our brave war veterans.

In August 1998, just over a month after the inaugural Reserve Forces Day was held to celebrate 50 years of service by reservists, the continuous full-time service determination was signed, which enables members of the CMF who served in Vietnam to be legally considered veterans. This allows them to enjoy the same recognition as other brave veterans and to receive the same entitlements.

The members of the CMF who had served in Vietnam were notified of their tour by an instruction that said:

You have been selected to visit South Vietnam on attachment as an observer to an Australian unit for a period of approximately two weeks.

They were also told, and I quote again:

Members on short term visits to South Vietnam are not allotted for special duty. However, benefits under the Repatriation (SOS) Act are provided (even though no allotment for special duty has been made) when a member dies or suffers a disability as a result of action by hostile forces whilst outside Australia ... Any other disability is compensable under the Commonwealth Employees’ Act.

During my time as the Minister for Veterans’ Affairs, I had many former members of the CMF come to me to discuss eligibility for veterans entitlements and the war service pension. They believed that those CMF members who had undertaken continuous full-time duty of 14 days in Vietnam were considered worthy of veteran status. And I agree with them, as the Commonwealth government’s Veterans Entitlements Act defines a Commonwealth veteran as:
… a person who served on a continuous full time basis in the defence forces of a Commonwealth country during a period of hostilities.

According to the Department of Veterans’ Affairs, ‘continuous full-time service in relation to a member of the Defence Force means that a person must have served on a continuous full-time basis, as opposed to a part-time basis. A period of continuous full-time service is required by a member of the Defence Force if they are to be considered as having eligible war service, operational service or defence service and access to the benefits associated with those forms of service’.

The former Liberal-National government’s decision to deem CMF officers as Vietnam veterans led to me, six months later, calling for a review of possible anomalies in service entitlements affecting those members of the Australian Defence Force who served in South-East Asia during the period from 1955 to 1975. This independent review was conducted by Major General Mohr, with the assistance of Rear Admiral Kennedy, and it supported our decision to deem CMF officers eligible for veteran entitlements. Major General Mohr reviewed the particular service entitlement anomaly in which CMF officers sought full repatriation benefits, and expressed his opinion that officers are ‘entitled to claim the full range of repatriation benefits’. He then went on to comment in the report:

Apparently this was not known to the CMF officers concerned.

Major General Mohr also noted that the officers concerned have had full cover under the Veterans’ Entitlements Act since 1986. This determination not only signified a change for our selfless CMF members and officers but also signified that the former Liberal-National government—and indeed all Australian governments in the past—has long valued the work that is done by all involved in Australia’s war effort, not just those on the front line. Australia’s ability to defend our sovereignty has been possible because of both those overseas and those behind the scenes at home.

Our reservists are a crucial part of our defence and many, just like the CMF officers in Vietnam, would be more than willing to head overseas, away from their family and friends, and straight into the firing line if it meant defending the values and freedoms that we so often take for granted in Australia. So it was with a sense of frustration and sadness that I learned that some members of the CMF who did serve in Vietnam were unaware they were eligible for Commonwealth support. Indeed, some may still be very much oblivious. I understand the Department of Veterans’ Affairs claim that they had no obligation to establish who may or may not have been affected by the determination. Yet the service charter of the Department of Veterans’ Affairs states that the department is committed to providing ‘accurate, clear and consistent information’ and committed to keeping veterans and returned service men and women ‘fully informed of their rights and entitlements’.

Surely, then, it is the role of the department to make the effort to notify those to whom this determination—or indeed any change to legislation or process—applies? Surely letters, emails or even an advertising campaign in newspapers would allow those concerned to learn of their eligibility? RSL sub-branches and other returned service support organisations are more than willing to help out their fellow service men and women, and I am sure they would be very enthusiastic about supporting the department in passing on very important information.
I would like to temper this criticism to ensure I am not mistaken for being disrespectful to the department—far from it. As a former Minister for Veterans’ Affairs, I have worked closely with department heads and officials and I applaud them for their tireless efforts to ensure that Australians never forget what our service men and women have done for our nation. The employees of the department show the respect deserved by our veterans, war widows and widowers and deal with their issues and concerns with sensitivity, empathy and regard to privacy, and I admire their work. I also understand that the department works within its ability and legal limitations as set out by the minister and government of the day. That is why I call on the Minister for Veterans’ Affairs, for whom I have great respect, to take measures to contact those to whom this determination applies and compensate them accordingly.

(Time expired)

Mr NEUMANN (Blair) (7.05 pm)—I commend the member for Maranoa for bringing to the chamber issues related to veterans. My electorate of Blair in Queensland has many veterans. We have the largest military base in the country, at Amberley. It interesting to note we have a net total of 3,574 beneficiaries—people on DVA pensions and treatment card holders in my electorate—as of 28 June 2008, and that includes 873 veterans, 704 service pensioners and their partners, 1,045 gold card holder veterans and 706 independents. So my electorate is very much affected by motions like this. I think it had its genesis, as the member for Maranoa said, in his time as the Minister for Veterans’ Affairs, when I am sure he came across many people in terrible circumstances who did not know they were entitled to assistance for their service on behalf of all of us in Australia. Whether or not one agreed with the Vietnam War, their service on behalf of the people of Australia and the government of Australia at the time should be honoured. As I have said on numerous occasions in my electorate, their service was of invaluable assistance to this country. We cannot enjoy the freedoms, the liberty and the lifestyle that we have in this country without honouring them.

I had a look at the Veterans’ Entitlements Act 1986, and it is section 5I(1)(b) which is the actual provision. I am happy to mention that to the member for Maranoa because that is the section that he is talking about. He made a determination back then that the act applies to, or in relation to, any member of the Australian Defence Force who, while not rendering continuous full-time service, was rendering service as a member who was, or as a member of a unit of the Defence Force that was, allotted for duty or taken to have been allotted for duty in an operational area—described in schedule 2 of the act as being any time during the period from and including 31 July 1962 to and including 11 January 1973—or was a member of a unit of the Defence Force attached to the Far East Strategic Reserve between 2 July 1955 and 27 May 1963. That is what the provision is about. The member for Maranoa had the foresight to do that, and I thank him for it because it was good work on behalf of the veterans.

I looked into the history of the Citizen Military Forces, and it is really quite strange that we do not teach enough about this matter in our schools. We should. Our young people should know about this. Prior to World War I, the defence forces consisted of the naval and military forces of the Commonwealth—of course, there were not many planes in those days, so we did not have an air force—and the military forces were divided into the permanent forces and the citizen forces. On 18 February 1943 the Defence (Citizens Military Forces) Act 1943 was passed, which provided for the first time that members of the CMF might be required to be sent outside Australia or its territories. So they were sent overseas to defend our shores and to defend us. The areas were limited to the south-west Pacific zone. You can imagine that would
have been the case, because we were fighting the war in the Pacific at the time. The act was to continue in force until six months after the cessation of hostilities.

Since 1949, compensation in respect of death or incapacity of servicemen in times of peace has been covered by successive Commonwealth employees compensation acts. The new phase was entered in 1973, when the Repatriation Act applied to peacetime services of members of the permanent military forces where qualified. The provisions of that act had not been applied to members of the CMF. By decisions of various war cabinets, some repatriation-style cover was applied to the part-time members. There are only two provisions in the actual legislation that deal with members of the CMF.

Service by members of the CMF, whether during the Second World War or any other conflict, is considered under the VEA based on their individual circumstances and whether they meet the relevant criteria for whatever benefit they are seeking. For service in Vietnam, CMF members can be determined, under the ministerial instrument that the member for Maranoa was talking about, to be covered by the VEA as if they had rendered continuous full-time service.

I had a look at the motion, and I spoke to the minister’s office. We do not have any plans to change the definition of ‘veterans’ or to stop applying ‘continuous military service’. There is no suggestion that we will not continue the policy of the previous government with respect to the definition. It is a bit hard to actually find the definition of what a veteran is. It can be applied to a Commonwealth or an Allied veteran, a mariner or a member of a peacekeeping force. But members of the CMF can be excluded. I commend the then Minister for Veterans’ Affairs, the member for Maranoa, for what his work did in 1998. I just want to assure him that the minister has assured me that there is no plan to change the definition in that regard.

The second part of the member for Maranoa’s motion is:
That the House endorses … the ‘Continuous full-time service determination’ …

I am assured also that we do not have any plans to change that provision. I hope we never do, because I think that is a very innovative way to look at it and is the right thing to do by the veterans. As I said, there are 3,574 DVA pensioners and treatment card holders in my electorate. Many of them are veterans, and I think that they would agree with the member for Maranoa in that regard. I think the member for Maranoa has a point in respect of the need to encourage the department to publicise this to the veterans community.

I am concerned about the idea of the retrospective payments. I am always concerned about that aspect. I think that the veterans affairs legislation—I have had a bit of a look at it—does not provide for the idea of a grant of pension retrospectively. If a veteran thinks their case has been incorrectly determined, there are avenues for redress that they can undertake. The department determines all claims based on information provided.

The member for Maranoa has a point insofar as the department needs to make sure that all forms of publicity should be undertaken, whether it is through Veterans’ Affairs newsletters, publicity or correspondence that needs to be sent out. We need to make sure that anyone who might be a CMF member who might come within the determination knows about that so that they are in a position where they can come forward if they qualify in terms of their service, if they have served in Vietnam, and get that application into the department. I think the department ought to take appropriate steps. I have contacted the minister’s office in relation to that.
They assure me that they do send out information and they do publicise this matter to veterans, but I am sure that the members who are veterans in my community would want me to say that we need to do everything we possibly can to ensure that they know about their eligibility.

In the final minute I have, I want to pay tribute to the veterans in my community who may be affected by this motion and by the veterans entitlements legislation. I have met many veterans, and all of us who are members of the House would take part in activities on Anzac Day and the 11th of the 11th. We meet fine men and women who have given their service and who have been affected by that service. I have met plenty of people who are just a little bit older than me and who served in places like Vietnam. I freely say that when I was a kid my folks were very much against the Vietnam War. I grew up in that sort of household. But those men could not determine where they went. They signed up to serve the country and they did that to the best of their ability. They did it honourably and with valour, and we recognise that. You can see the valour of the VC members who fought in South Vietnam. You can see the people who have served their country with distinction. Keith Pennell is a veteran in my community. He was Citizen of the Year in Ipswich. He has spent the rest of his life serving my local community. It is people like him we should commend. I thank the member for Maranoa for bringing this motion before the House.

Mr SOMLYAY (Fairfax) (7.15 pm)—I second the motion of the member for Maranoa. The motion before the House will encourage the government to do the right thing by those people who served and did the right thing by Australia. Back in August 1998 a continuous full-time service determination was signed, which rightly entitled those members of the CMF, now called the reserves, who served in Vietnam to the same benefits as permanent service men and women who gave active service. The motion before the House will ensure that those entitled to these benefits will be made aware of these changes and be enabled to access the benefits if applicable in their case. I do not seek to widen the entitlement net. This motion just seeks to right a wrong. The previous government ensured that the men and women who served in Vietnam as members of the CMF were included in the honours system. Servicemen were awarded the active service badge and their Vietnam clasp. Some of our CMF ex-servicemen were unaware of the 1998 ministerial determination, and I want this motion to correct that anomaly.

This is why this motion is before the House. I encouraged the member for Maranoa to move this motion, because he was the Minister for Veterans’ Affairs when the determination was signed. One of my constituents came to me after he had been advised following a claim to the Department of Finance and Administration that ‘there is no duty on DVA staff to provide unsolicited advice to any client in relation to benefits’. I seek leave to table that letter.

Leave granted.

Mr SOMLYAY—I thank the House. I am outraged that this serviceman was advised that there was no duty on the DVA staff. Indeed, I contend the opposite. DVA staff do have a duty of care. My experience over many years has been that they do exercise that duty of care. The department’s service charter clearly states:

Our commitment is to …

• provide accurate, clear and consistent information …
• keep you fully informed of your rights and entitlements …
My constituent served with the CMF as a volunteer. He was attached to a Regular Army unit and served in South Vietnam. In August 1998, just six days prior to the ministerial determination, he again contacted the Department of Veterans’ Affairs and was advised that members of the CMF who served in South Vietnam were not regarded as veterans and therefore were not entitled to a DVA pension under the Veterans’ Entitlements Act.

Six days later, unbeknown to him, the minister signed that determination, ensuring that those who served would be treated the same way under the act as permanent soldiers. No-one bothered to tell him. The determination received no publicity in the local media. There was no follow-up for those who had made applications and were rejected. It was not until 2006, after advice from the Vietnam Veterans Counselling Service informed my constituent that he was indeed a veteran under the terms of the act, that he again made contact with the department. A service pension was subsequently granted on 9 November 2006. My constituent had retired in 1994. Following his 65th birthday in 2002 he was in receipt of an age pension, not a service pension. However, attempts to have the provisional commencement date changed to that of his original inquiry, back in 1998, were rejected.

I do not have time to elaborate any further. I believe that the Department of Veterans’ Affairs treats veterans in a very compassionate and caring way, and it has for many, many years. We have the most comprehensive and generous repatriation system in the world. I ask the government to look at this very carefully and use its discretion to back-pay retrospectively these people by means of an ex gratia payment. I thank the House.

Mr SULLIVAN (Longman) (7.20 pm)—Like all members of this parliament, I am a great supporter of our military personnel. In fact, in my electorate there is an Army Reserve unit parading. I share that unit with Yandina, which is still in the electorate of the member who spoke before me but has already left the chamber for other duties elsewhere, the member for Fairfax. My father, his two brothers and my mother’s two brothers all served in World War II. It would be unkind for anybody to suggest that any sensible member of our community did not support their efforts.

I am interested in the resolution that has come before the House because we finally, through the member for Fairfax’s contribution, worked out what it is about. I must admit to having had some consternation when we saw the motion in print, because it calls on this government not to do something that it was not going to do anyway. There is no suggestion that we were ever going to change the material that was produced by Mr Scott back in 1998 on a day other than the one that his motion says he did it. However, we now understand, through the contribution of the member for Fairfax, that a person in the department of finance actually wrote a pretty crook letter. I have not seen the letter and I doubt that the Minister for Veterans’ Affairs has seen the letter because I have discussed this motion with him and he too is at a loss as to why this motion is before the House.

It must have taken some courage for the member for Maranoa to do the 10 minutes on this motion, because he was the minister who brought the determination into being. Some four years and three months after he brought the determination into being he ceased to be the minister, and in all that time he apparently failed to advise the people who are entitled to this of their entitlement. Not only did he fail until November 2001 but subsequent coalition veterans affairs ministers failed from 2001 to November 2007, another six years. So, in a sense, it is a
decade of failure by the coalition government to properly address an issue relating to CMF members who had done their 14-day tour in Vietnam.

There is also a failure in the fact that this motion has come to this parliament before either of the people who spoke from the other side raised the matter with the minister. Common courtesy would have provided that, if the member for Fairfax has a genuine constituent issue in relation to matters with Department of Veterans’ Affairs, that needs to be addressed with the minister before a motion is brought to the chamber. The Minister for Veterans’ Affairs said to me that if there is a problem he will fix it. This should not have been here at this point in time. Having said that, as my colleague the member for Blair has said, this motion creates a view that there is something that needs to be done and we will be taking that to the Minister for Veterans’ Affairs to see that it is done.

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

World AIDS Day

Debate resumed, on motion by Mr Danby:

That the House notes that:

(1) 1 December 2008 is the 20th anniversary of the first commemoration of World AIDS Day under the auspices of the United Nations;

(2) the global HIV/AIDS epidemic continues to kill approximately three million people around the world every year, including approximately half a million children, and that approximately 33 million people are currently living with AIDS or HIV infection;

(3) thanks to Australia’s early adoption of, and bipartisan support for proactive prevention programs over the past 25 years, Australia has a rate of HIV infection far lower than those of most comparable countries;

(4) in Australia there are still over 900 new cases of AIDS notified each year, and that nearly 100 people a year are still dying of AIDS related illnesses each year;

(5) the slogan adopted for World AIDS Day 2008 is ‘Stop AIDS. Keep the Promise-Leadership’, and congratulates all those in Australia, both in government and in the affected communities, who are showing leadership in prevention, treatment and care related to HIV/AIDS; and

(6) the Australian Government remains committed to the current bipartisan National HIV/AIDS Strategy which began in 2005, and urges the Government to maintain its long term commitment to working with the affected communities to provide high quality prevention, treatment and care programs for all those affected by or at risk of HIV/AIDS.

Mr DANBY (Melbourne Ports) (7.25 pm)—I rise in support of this motion to mark World AIDS Day. This year is the 20th anniversary of the first World AIDS Day, which originated from the 1988 world summit of ministers of health on programs for AIDS prevention. Australia’s representative at that meeting was Dr Neal Blewett, Minister for Health in the Hawke government and the minister who laid the foundations of Australia’s response to the HIV-AIDS epidemic.

World AIDS Day provides us with an opportunity to reflect on the development of the global fight against HIV-AIDS. The red ribbon, which many members are wearing today, is the symbol of World AIDS Day. This year’s World AIDS Day’s theme is: ‘Stop AIDS—keep the promise, lead, empower, deliver’. This theme is a timely reminder to us as law makers of our obligation to provide leadership in the fight against HIV-AIDS. Over the past 25 years in
Australia we have pioneered the model of the three-sided coalition—a coalition of government, the medical profession and the affected communities. That strategy has proved remarkably successful, but it depends on us as law-makers maintaining our commitment.

It is hard to believe that it is a quarter of a century since AIDS first arrived in Australia. I have lived all my life in St Kilda, in the Elwood area, that part of Melbourne which has a strong gay community. I well remember in the early years of the epidemic the effect this disease had on them, a disease that has spread all over the world. I remember the fear that was aroused by the sudden appearance of this mysterious and fatal disease amongst gay men in the early 1980s. I remember the hysterical attacks on the gay community by some parts of the media and by some politicians.

I also remember the immediate efforts of the affected communities to get together, to organise themselves, to take action to prevent a further spread of AIDS and to support, in particular, those affected by it. I could go on for hours about the way the gay community in Melbourne has supported people who have been so affected. It is very moving. In July 1983 the Victorian AIDS Council was formed and for the last 25 years it has provided inspirational leadership for the Victorian gay community and many other people affected by the epidemic.

Over the past 25 years Australia has mounted one of the world’s most effective responses to the AIDS epidemic. We have had 10,000 AIDS cases and 6,700 deaths. That is a terrible toll, but it is far less than it would have been if effective action in the area of prevention had not been taken, both by affected communities and by Australian governments. It is far less, on a per capita basis, than in almost any other country.

When we look around the world we see in other countries close to us, such as Papua New Guinea and, unfortunately, South Africa and indeed throughout most of the continent of Africa, an unwillingness to take the kinds of measures that Australia has taken over the last 25 years. As stated in the motion, approximately half a million children and approximately 33 million people are living with AIDS or HIV. Particularly in Africa there is the tragedy of orphans who have had both parents die from the epidemic.

As an Australian parliamentarian, I am very proud to have visited Thailand recently to see the work of two devoted Australian doctors who are working on a nutrition project with the Thai Red Cross. Nutrition can affect the health and recovery—indeed, the physical existence—of people suffering from HIV-AIDS if they make sure they are nourished in the correct way. These two Australian doctors have been over in Bangkok. One has been there for 10 years and the other for five. That is the kind of spirit that has made Australia’s contribution to the fight against HIV-AIDS renowned around the world.

But in Australia we cannot be complacent. Complacency leads to new HIV infections and more AIDS diagnoses. Over the past 20 years, all Australian governments have pursued a bipartisan HIV-AIDS program. The current program, begun in 2005 under the previous government, is being continued by this government with an annual budget of $28 million. I commend all of those in the community sector—

**Mrs Hull** (Riverina) (7.30 pm)—In speaking to this motion, I congratulate the member for putting this forward on World AIDS Day. I will be quoting extensively from a document from the National Association of People with AIDS. It says:

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**MAIN COMMITTEE**
A decade of treatment optimism and declines in HIV/AIDS mortality and morbidity have changed the expectations of many PLWHAs about their lives and future. Many people with HIV/AIDS now expect that they should be able to live as close as possible to a normal life—with longer term goals and expectations replacing short-term ones based around survival.

There are going to be enormous pressures placed on clinical services. The document says:

- HIV clinical management and ARV prescribing have evolved to encompass a mix of specialist and generalist services, with hospital based physicians, sexual health physicians and general practitioners involved to varying degrees.
- Currently there are 19 ARV drugs available in five different classes.

That would be 19 in 2005, so there are probably more now. It goes on:

The new drug pipeline contains 15 new drugs which look promising. There are a host of others in very early development. Within another 5 years there may be some 30 ARV drugs available in six different classes.

- It is a major challenge for physicians and GPs working in HIV/AIDS to keep up to date with new drugs and new scientific knowledge and incorporate this into management of their patients. This applies even to the most experienced HIV clinicians.

- Keeping up to date with developments in HIV treatment and care is a considerable task. Time involved in reading journals, attending scientific conferences, training courses sponsored by ASHM, pharmaceutical industry educational events, also impacts on general practice remuneration for training, even when certain sponsorships are provided. For practices with small HIV caseloads, the motivation and/or opportunity to acquire and put all this information into practical use is obviously very limited.

This applies specifically and particularly in rural and regional areas, where the spread of HIV/AIDS has taken place with very few practitioners to deal with it. The document goes on:

There are difficulties in recruiting new GPs to become ARV prescribers, even among high HIV caseload practices.

So what chance do we have in many of our rural and regional areas? The paper continues:

- In the current complex environment, management of HIV disease and ARV treatment requires not only substantial knowledge, but also an active PLWHA

that is, people living with HIV/AIDS—

caseload. It is not in the best interests of PLWHA to have complex decisions about their HIV care and treatment made in low HIV caseload medical facilities, be they general practices, sexual health clinics or hospitals.

It is so important that formal linkages be established between rural and regional practitioners to form pathways to our accredited practitioners. The paper goes on:

Training and accreditation requirements for current ARV prescribers should be upgraded, in light of complexity.

As part of upgrading training requirements, maybe consideration should be given to introducing a minimum HIV caseload level for ARV prescribing accreditation and then clear pathways set so that other, smaller caseload GPs and practitioners have a clear pathway to get them to the latest in treatments and the most important services and support networks available.
These issues have been raised by NAPWA for many years and there is an enormous paper on this. I think it is time that, in the review stage of the current domestic strategy that I believe will report back in January, we determine pathways forward to ensure that models of care for HIV-AIDS sufferers are included in a new strategy to reflect the new and emerging drugs, treatments and issues involved with HIV-AIDS sufferers living longer and more productive lives, thus causing in many new areas that need to be identified and addressed. I thank NAPWA for their dedication to all of those people who are living with HIV-AIDS and commend their work to the minister.

Ms ANNETTE ELLIS (Canberra) (7.35 pm)—I rise to speak in the House today on the 20th anniversary of the first commemoration of World AIDS Day. World AIDS Day plays an important role in society. It helps raise awareness worldwide about AIDS issues and the need to support and understand the situation faced by many people who are afflicted with the disease. Although Australia has one of the lowest rates of diagnoses in the developed world, there is a disturbing trend in that the overall number of diagnoses in Australia has increased from 718 in 1999 to more than 1,000 in 2007. This statistic reminds us that we must remain vigilant.

I want to take this opportunity to talk about HIV-AIDS in the Canberra community and about the AIDS Action Council of the ACT and the very important work that it does to support people living with HIV-AIDS in the local community. Every year, 10 Canberrans are diagnosed with HIV. When compared to over 1,000 in Australia and the many thousands worldwide, this appears to be a very small number. However, as the General Manager of the ACT AIDS Action Council, Mr Andrew Burry, said at the weekend, ‘It is 10 too many.’ We must do all we can to stop the spread of HIV-AIDS, and the ACT AIDS Action Council certainly plays an important role in the local community. It provides many services including testing, education, client support, counselling, advocacy and organisational development. They work cooperatively in the community with various stakeholders including the YWCA and SCOPE Youth Service, the Youth Coalition of the ACT, Junction Youth Health Service, Barnados, the Belconnen and Woden youth services, Canberra Sexual Health Centre, ACT Division of General Practice, ACT Health, ACT Queer, and the new Canberra Transgender Network, just to name a few.

Recently the council worked on the corrections-health services plan for the new Alexander Maconochie Centre—the first correctional facility in the ACT. The council worked with the ACT Community Coalition on Corrections and with other agencies to support a proposed needle and syringe program, and with the ACT Hepatitis Resource Centre to develop proposals for development and health promotion programs for staff and residents. This year the council has relaunched a rejuvenated volunteer program. It focuses on best practice, professional development, clearly defined roles and improved communication channels. It also releases a newsletter that gives a voice to other community members and publicises gay, lesbian and transgender sporting groups in the ACT community.

The council is also involved in the international candlelight memorial. The 25th memorial was held on Sunday, 18 May this year. It involved a prayer service held at the All Saints Anglican Church in Ainslie, followed by a second service at the National Museum of Australia in Acton. The theme of the service this year was to remember not only people infected with HIV-AIDS, but also the much wider group of people such as family and friends who are also
affected. This year the ACT AIDS Action Council is asking people to focus on the large number of people—around 65,000—who are suffering from HIV-AIDS in Papua New Guinea, our nearest neighbour.

Worldwide, the spread of HIV-AIDS continues to be a major problem. Approximately 33 million are infected, and it kills many millions of people each year, not to mention over half a million children. This truly is a tragic statistic. Australia is committed to help fighting the spread of this infection overseas by spending $1 billion in the 10-year period between 2000 and 2010—and I note that is across two governments. Australia’s commitment includes spending $178 million over the four-year period between 2007 and 2010 in Papua New Guinea; $100 million over eight years, from 2008 to 2015, in Indonesia to combat HIV, focusing on capacity building, prevention and care; $135 million over three years on the Global Fund to fight AIDS, Tuberculosis and Malaria; and up to $59 million to support a program across South-East Asia that will concentrate on harm reduction among injecting drug users to prevent the spread of HIV around those communities.

In the few seconds I have left, I want to reflect also on the role that our previous minister Neal Blewett took back in the eighties, when he bravely stepped forward with a radical plan which had bipartisan support and which the public really was very worried about—but without that I do not know that we would be where we are today. The other thing I want to reflect on is young Eve van Grafhorst. There was an article in the paper about this little girl at the weekend, and I read it with great remembrance. In 1985, having been diagnosed with HIV, the little one was shunned by her community here in Australia and her family ended up living in New Zealand. Thank goodness we have come a long way from the days when we did that sort of thing to a person suffering from HIV.

Mr IRONS (Swan) (7.40 pm)—I rise this evening to discuss World AIDS Day. Today marks the 20th anniversary of World AIDS Day. It is now viewed as one of the most successful commemorative days internationally, with more than 190 countries, including Australia, acknowledging this initiative. World AIDS Day is an international health initiative aiming to raise awareness of acquired immunodeficiency syndrome, AIDS, caused by the spread of HIV. This initiative was originated in 1988 by the World Health Organisation and has developed over time. It has continued to be a necessity due to the high prevalence of HIV and AIDS. In 2007 it was calculated that 33 million people were living with HIV, with 2.7 million newly affected. The AIDS disease has killed 25 million people worldwide since 1981. The campaign follows annual themes under the wider theme of, ‘Stop AIDS—keep the promise,’ which is active until 2010. This year’s theme is continued from 2007, focusing on leadership as its main objective. Self-responsibility and activism are also clear themes for the initiative.

World AIDS Day recognises that it is necessary to not only aid and assist the most crippled countries but also prevent the increase of AIDS in countries with lower prevalence rates. The number of people living with HIV has risen from approximately eight million in 1990 to 33 million in 2007 and is currently on the rise, according to a report published by UNAIDS and the WHO. Fifty per cent of those living with HIV-AIDS are women. It is concerning that young people under 25 account for half of the world’s new HIV infections, highlighting the need for continual education to prevent the conditions and support those who have contracted HIV-AIDS. It is not uncommon for those suffering from HIV or AIDS to be subjected to much social scrutiny in many different cultures due to the lack of understanding of how the
infection is contracted and the historical stigma attached to it. To reduce this stigma and scrutiny, the stereotype of an HIV-AIDS carrier needs to be broken down. Often, to break down a stereotype that results in discrimination, a greater understanding of the infection is needed, and this can be achieved through increased education. This is where days like today are important in continually encouraging education.

It is a well-recognised fact that Third World countries, in particular in Africa, are the most highly affected by the AIDS pandemic. Sub-Saharan Africa has the highest total of people living with HIV or AIDS, totalling 22 million in the 2007 statistics. In saying that, I say that it is important to talk about our own HIV-AIDS issues here in Australia. By the end of 2007, Australians living with HIV accumulated to a total of 16,692. Although the AIDS incidence in Australia, much as in Canada and the UK, is much less than in non-developed countries, it is still on the rise. AIDS causes much destruction not only to the sufferer but also to their family and friends. Australia has experienced 6,709 deaths caused by AIDS. Australia is using the slogan: ‘Enjoy life. Take control. Stop HIV-AIDS.’ This theme empowers people to be responsible and make decisions to maximise their control of the outcome.

Australians, like people in many industrial countries, view the HIV-AIDS problem as something specific to Third World countries such as in Africa, where its prevalence is highest. Within Australia, it is necessary to note that there are varying incidences within the different states and capitals. In proportion to the population size, New South Wales has the highest incidence of HIV diagnosis—214 people per 100,000. Victoria is the second highest, with a rate of 110.4, and the Australian Capital Territory incidence is also quite high, with a total of 87.1. Rates in Queensland at 73.4, the Northern Territory at 72.9, Western Australia at 69.1 and South Australia at 66 were similar. In contrast, Tasmania has the lowest rate of HIV diagnosis—24.1. These figures highlight which areas of Australia and the world are affected by AIDS.

On World AIDS Day I think it is appropriate to talk about the significant cut in Papua New Guinea’s 2009 AIDS budget. A report from AusAID highlighted that two per cent of PNG’s population is infected with HIV-AIDS. An Age article today stated that there are relevant fears that by 2025 more than 50,000 people will be infected with HIV in the region. The Papua New Guinea government has cut the budget by 25.1 million kina, which is equivalent to A$15 million. This cut will not affect the Australian funding given to tackle the AIDS epidemic, with a sum of $100 million expected to change hands over the five-year program—although, due to the current economic situation, the funding package is now reduced by 30 per cent.

In concluding, I say that it is important that the topic of current and future challenges be brought up. It is necessary to highlight that there is a lack of adequate treatment in poor countries, along with the unlikelihood of finding a vaccine at any time soon. Medication used to manage HIV in Africa is not affordable or readily available for those infected. It is not surprising that AIDS orphans in Africa number 11.6 million.

Mr PERRETT (Moreton) (7.45 pm)—I rise to support the motion moved by the member for Melbourne Ports. I would also like to commend the member for Swan for his contribution. He is always a fair-minded person and it was great to hear his words on this important topic.

Like many people and parliamentarians throughout Australia, I am today wearing a red ribbon. I thought about wearing the rainbow ribbon today. I phoned my brother Nicholas for a bit of advice and he said that with my poor taste in clothes the rainbow ribbon would be more

MAIN COMMITTEE
appropriate because it would go with everything. Leaving aside his cruel but accurate advice, I deferred to the simple red because, 20 years on, all informed Australians understand that acknowledging HIV-AIDS is not about the homosexual community; instead, it is about commemorating, supporting and understanding all people with HIV-AIDS. It is a disease that strikes irrespective of our sexuality or faith or beliefs.

When I first learned about HIV-AIDS it did put the fear of death into me. The Grim Reaper campaign, with the bowling ball, was an incredibly effective advertising strategy. To quote Elvis Costello, ‘Death wears a big hat.’ And so our Death, or the Grim Reaper from the 1980s, with a bowling ball and no regard for child protection conventions, remains to this day an iconic image for me and for many people my age or older. Since 1981, around 7,000 people in Australia have died from AIDS related illnesses. I knew just one of the 6,767. Many people here tonight would know of others. Certainly people in my family know too many more.

The Hawke-Keating government’s attentiveness to the disease when it first came to our shores meant that there was a relatively low incidence of seroconversion. Thankfully, the Howard government—I will give them credit—continued to perform great work in this area also. I especially acknowledge the Leader of the Opposition for the great work that he and his wife, Lucy, have done in this area over the years. Unfortunately, we can contrast this bipartisan support and approach with Ronald Reagan’s approach. He was a President who could not even bring himself to say the word ‘AIDS’. I do not wish to speak ill of the dead, but he was a disgrace to former union leaders. Who knows how many lives were ruined or lost because of Ronald Reagan’s prejudices and ignorance?

There have been great innovations in HIV-AIDS medication over the last 20 years. Now this big disease with the little name is not the death sentence it once was—at least not in Western countries, where we have medication and resources to combat the ravages of the disease. But unfortunately there is still ignorance in some countries where the non-scientific approach of politicians and religious leaders is still killing people unnecessarily. In 2007, 72 per cent of AIDS related deaths in the world occurred in sub-Saharan Africa. Obviously, faith based treatments are not the answer. Instead we need to have real scientific approaches.

One of the dangers in the innovation and treatment that I referred to earlier is that there is no longer the same sort of fear—there is no Grim Reaper in everybody’s lounge room anymore—and this might make risk-taking behaviour more acceptable in some sections of the community in Australia. This means there is an even greater onus on the government to educate younger people to make sure that they do not engage in risk-taking behaviour. Especially at Schoolies Week and the like, people can become involved in all sorts of activities that might include risk-taking behaviour.

Last year in Australia there were 1,051 people diagnosed with HIV-AIDS. They joined a community that is way too large already. There are 16,700 people already living with HIV-AIDS. That is equivalent to a good sized town, and that is way too many people. Hopefully our community has stopped looking for the rainbow ribbon when it comes to talking about HIV-AIDS. That is from 20 years ago. We have moved on. We are much more inclusive and much more understanding about how we should approach these things. Obviously, we never need to have an approach similar to that of Ronald Reagan to drugs, when he said, ‘Just say no.’ That will not work. We need to be much more proactive. It is good to see a lot of community groups and churches being much more proactive in combating HIV-AIDS. I commend
those opposite for the bipartisan support shown by them, especially by the opposition leader, on this important issue.

Mr ROBERT (Fadden) (7.51 pm)—Today marks the 20th anniversary of World AIDS Day. In 1988, the World Health Organisation declared the first World AIDS Day in an effort to raise public awareness about HIV-AIDS. It makes today an appropriate day to discuss in this place the future of Australia’s HIV-AIDS strategy, and I thank the member for Melbourne Ports for introducing this motion.

‘Enjoy life, take control, fight HIV-AIDS’ is the Australian theme for World AIDS Day. Recent studies indicate that HIV infection rates in Australia are gradually increasing. This fact on its own demonstrates that the Australian battle against HIV-AIDS infection is not won. We must continue to be vigilant in our response to this ongoing problem. It is easy to go from a small increase in infection rates to a more serious and widespread problem if governments and the community become complacent. It shows that HIV not only is a problem overseas but requires continuing action right here at home. The theme aims to send out the message that, if people take personal responsibility by being informed about how they can protect themselves and others, there is no reason why they cannot enjoy life and at the same time stop the spread of HIV-AIDS.

The National HIV/AIDS Strategy 2005-2008 identified five priority areas for action to be addressed over the life of the strategy. But the current strategy has expired. Whilst it continues to be funded, I understand it has been referred to an outside organisation for consideration and that a report regarding the future of our domestic HIV-AIDS strategy is due to be returned perhaps as late as March. I also understand the international strategy is now under consideration by the minister, and I eagerly await her response and an announcement regarding its future. I had hoped the announcement would have been made today. Indeed, the majority of new Australian cases of HIV-AIDS resulting from heterosexual contact have arisen through contact with a partner from a high-prevalence country—particularly sub-Saharan Africa or parts of South-East Asia—demonstrating the importance to Australia of a continuing international response.

An estimated 16½ thousand people in Australia were living with HIV at the end of 2007. From the start of the epidemic until the end of June 2007, there were 23,360 diagnoses of HIV—after adjustment for multiple reports—and 10,097 diagnoses of AIDS. Australia has recorded an unfortunate loss of 6,709 lives through AIDS. The AIDS incidence in Australia of 0.9 per 100,000 population is similar to that in the UK and Canada—at 1.4 and 0.8 respectively—though much lower than that in the United States, at 12.8. The annual number of HIV diagnoses in Australia peaked in 1987. There followed 12 years of decline, after which the rate of diagnoses grew again to reach 983 in 2007. The annual number of AIDS diagnoses in Australia peaked in 1994, with 953 cases, and then declined rapidly to 216 in 1999. The fall was largely due to the introduction of effective combination antiretroviral therapy, which delays progression from HIV infection to AIDS.

The number of AIDS diagnoses has since remained relatively stable. After the initial success in limiting the spread of AIDS, HIV infection rates began to rise again, though they remained low by global standards. After new reported cases dropped to 656 in 2000, the rate of HIV infection rose to 930 in 2005. Transmission continues to occur predominantly through
sexual contact between men, in contrast to many high-prevalence countries where it is transmitted increasingly through heterosexual contact.

We cannot take our eyes off the ball when it comes to HIV-AIDS. The minister must be motivated to quickly outline Australia’s future strategy now. Time is of the essence. In this case, time will wait for no-one and no nation. Due to its strong years of bipartisan action, Australia has an excellent record in fighting growth in HIV infections. We cannot afford to lose this record, reputation or any more lives needlessly. I commend the member for Melbourne Ports for raising this important motion and I look to the minister to announce a strategy going forward.

Mr GEORGANAS (Hindmarsh) (7.55 pm)—I welcome this motion and thank and congratulate the member for Melbourne Ports for bringing such a critical issue to the parliament. It is significant because we should all be concerned about the global epidemic of HIV-AIDS. As we all know, today marks the 20th anniversary of World AIDS Day. According to a 2008 UN report on HIV-AIDS, globally there were an estimated 33 million people living with HIV in 2007. There were about 2.7 million new HIV infections and about two million AIDS related deaths in 2007. Sub-Saharan Africa remains the most seriously affected region, accounting for 67 per cent of all people living with HIV and for 72 per cent of AIDS deaths in 2007. The number of children living with HIV increased from an estimated 1.5 million in 2001 to about 2.5 million in 2007. Nearly 90 per cent of all HIV-positive children live in sub-Saharan Africa.

Australia’s nearest neighbours, Indonesia and Papua New Guinea, are also facing growing numbers of people with the disease. The spread of HIV is one of the biggest development challenges facing Papua New Guinea today. The Australian government is the lead donor supporting Papua New Guinea’s national HIV response. The emphasis of Australia’s strategy is to prevent the spread of HIV in the region. The strategy also provides for supporting treatment, care and ongoing support for people infected and affected by HIV. Between 1981 and 2007, 27,331 Australians were infected with HIV, 10,230 were diagnosed with AIDS and, sadly, 6,767 died from AIDS related illnesses. Among those 6,767, there were two people whom I knew personally. In 2007 it was estimated that 16,700 people were living with HIV-AIDS.

The number of new HIV diagnoses in Australia has increased each year, from 718 in 1999 to 1,051 in 2007. The number of new diagnoses each year is around 280. Australia was very quick to implement strategies—we all remember the grim reaper advertisements on TV—and this assisted to prevent the acquisition of HIV. The rate here is almost half that of the UK and 10 times lower than that of the US. In my home state of South Australia, 1,127 people have been diagnosed with HIV-AIDS.

In 1988, the World Health Organisation declared the first World AIDS Day in an effort to raise public awareness about HIV-AIDS issues. World AIDS Day is now recognised and observed by millions of people in more than 190 countries around the globe. The Australian theme for World AIDS Day 2008 is, as we heard earlier: ‘Enjoy life. Take control. Stop HIV-AIDS.’ It is an appeal for all people to take personal responsibility in the fight to stop the acquisition and spread of HIV-AIDS.

Recent studies indicate that HIV infection rates in Australia are gradually increasing. The Australian government developed a national HIV-AIDS strategy which identified five priority
areas for action, to be addressed over the life of that strategy. The goal of this strategy was to reduce HIV transmission and to minimise the personal and social impacts of HIV-AIDS infection. One aim of this review is to uncover innovative ways to provide education, support and clinical services that will both decrease the spread of AIDS within Australia and improve access to care for people living with AIDS.

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Murray-Darling Basin Management Plan

Debate resumed, on motion by Ms Hull:

That the House calls on the Rudd Government:

(1) to deliver greater transparency and accountability as it moves towards the development of a Basin wide management plan by 2011 for the Murray Darling Basin; and

(2) specifically to ensure that:

(a) community impact statements are prepared as part of the Basin plan process and that these statements are prepared in consultation with affected communities and are made publicly available when completed;

(b) scientific data (such as the CSIRO sustainability studies) are assessed along with these community impact statements in finalising Basin wide and catchment targets;

(c) due recognition is given to the community and individual impacts of a new water management regime as well as the ongoing effects of the current drought; and

(d) affected communities are provided with adequate resources to develop long term options and that Government assistance is provided to allow communities to deliver against these options.

Mrs HULL (Riverina) (8.00 pm)—It is no secret in this House that I have major concerns about the way in which the water buyback is taking place and the impact on the communities that I represent across the Riverina as well as communities across Australia. In putting this motion forward I want to present to the House the issues that I believe are confronting the people I represent. I could turn to no better demonstration than that which came from a group of young people who are agriculturalists and who met with Senator Penny Wong, the Minister for Climate Change and Water, last Thursday. Alistair Watt, Drew Braithwaite, Sam Gaston, Gavin Dal Broi and Kristian Bonetti came to Canberra from my electorate to meet with the minister to outline the issues. I am going to quote extensively and verbatim from something that adequately and succinctly presents the concerns that I have, and I am beholden to one of those young men, Sam Gaston, who put it together:

Drought conditions currently having a severe impact on the people that live and work in rural communities. The drought cycle will end. When the drought cycle does end, will water for food production be available on a level to sustain both farm based and town based business?

Main focus on the impact of Government funded water buyback has focused on the farming unit and the environment. What thought has been given to the families and businesses based in rural communities that will be impacted by this policy?

… … … …

Once the drought ends, is there a future for people like me—wrote Mr Gaston—

MAIN COMMITTEE
to stay in regional Australia working for agriculture based businesses? Are there opportunities for career development and the ability to make a positive impact on regional communities? The answer to these questions is yes, provided water availability for irrigation is maintained at sustainable levels.

What opportunities are available?

1. World class businesses still based in regional areas. Extensive infrastructure still in place. Currently underutilised due to drought conditions. All that is required is water to produce raw material. Skilled people required to operate these businesses when water is available.

2. Drought has forced major improvement in business efficiencies for those businesses that continue to survive in the current environment. These businesses will reap the rewards of these efficiencies when conditions improve.

3. Regional business will require access to competent and loyal workforce, however will this workforce be available?

Sam asks the question:

Why live in regional communities

1. Family base
2. Community base
3. Food Production—a matter of national security
4. Lifestyle
5. Agribusiness employment opportunities

He looks at:

Impact of permanent removal of water on businesses and communities based in irrigation areas

Loss of food production capacity to feed Australia and surrounding countries reliant on Australian food production, e.g. Pacific nations

Loss of skill staff from regional areas

Inability to attract skill staff to regional areas

Reduced investment from business due to supply risk

Massive cost of writing off redundant infrastructure

Negative impact on the family unit

Significant impact on regional communities both financially and socially.

In summary, Sam says:

Will my children have the opportunity to live and work in regional Australia if they so desire? Will my children grow up to enjoy a stable and healthy environment? I believe through a structured and equitable approach to water management the answer to both question can be Yes …

Sam believes:

Water is a strategic asset. When it rains and water becomes available for agricultural use, we have an obligation to ensure that we have in place the infrastructure, human resources and the regional communities to resume food production for Australia and the surrounding nations.

These young men who travelled to Canberra to wait all day to meet with the minister are the future of our nation, the future of agriculture, and they deserve a say. I could not have put forward the issues of the need for community impact statements—as outlined in my motion—any better than Sam did. The problem that I see adding to this is that, whilst the CSIRO work on catchments has been completed, we are two years away from a plan and work has still not
been done to determine a sustainable yield for each catchment. How is the government going to manage the water to get the best outcome? *(Time expired)*

Mr ZAPPIA (Makin) *(8.05 pm)*—I do not question for a moment the sincerity of the member for Riverina in bringing this motion before the House, but I certainly question her motives in doing so, given that right now the Water Amendment Bill 2008 is being debated in this parliament. There was debate about it earlier today. It has been debated in the Senate, where her colleagues can raise the issues that she wants to raise. Furthermore, it was only recently debated in the House, where the honourable member did make a contribution and was able to raise all of these very issues.

For probably 100 years or so communities along the entire length of the Murray, whether they are in New South Wales, Victoria or South Australia, have come to depend on and grow as a result of the Murray River system. We have not only seen farming communities growing, whether it was through agriculture or horticulture, but we have also seen industries grow along the river system as a result of communities establishing there. Furthermore, we have seen communities grow in areas outside of the Murray-Darling Basin because of water from the Murray. I use as an example one of the key regions in my home state of South Australia, generally referred to as the Iron Triangle—the area of Port Pirie, Port Augusta and Whyalla. For years, those three major regional towns have relied on the River Murray for their water supply, through the Morgan-Whyalla pipeline. It is very clear that the River Murray system is important to those people who directly rely on it to grow their crops and to the communities that the member for Riverina represents, but the River Murray system is important to so many Australians in so many parts of Australia.

Given that that is the case, I, representing my community, am just as concerned as the member for Riverina about the current state of the Murray-Darling system. I have been concerned about it for several years and in fact I have been speaking about it for probably the last six or seven years—not in this place but prior to coming into this place, as Mayor of the City of Salisbury. One of the issues that I was prepared to tackle at a local level was the issue of water. I did what was possible from within the capacity that we had—and that was to implement the wetlands systems in the city of Salisbury. I would respectfully suggest that they are world-leading wetlands as a result of the work that we did there.

The point I make about this whole matter is that, because there is so much reliance on the River Murray by so many communities across Australia, it is important, it is fundamental, that the whole Murray-Darling be managed with one plan. That is exactly what the Rudd government has attempted to do with its $12.9 billion water plan. I have taken the trouble to read the assessment of the plan in this document, *Australia’s working rivers*, prepared by ACIL Tasman, which analyses the plan pretty well. On my reading of this document, it confirms what I have always believed, and that is that not only do you have to manage the plan in a very coordinated and strategic way, bearing in mind that the Murray-Darling Basin affects all of Australia, but you have to manage it in a way that in the long term is sustainable—and that is exactly what the Rudd government’s plan is proposing to do. It has to be sustainable.

I just want to comment briefly on the comments made by the member for Riverina when she was quoting the young person. I too commend that young person for being prepared to speak up on this matter. In particular, I want to pick up on her comments about when the drought cycle will end and what we will be able to do—and she went on. I am not so con-
vinced that the drought cycle will end, and I am not so convinced that it is just a drought cy-

cyle. My understanding is that it is part of long-term and permanent weather changes that we
are seeing. As a result of that, it is not just a matter of a temporary fix and then going back to
doing things the way we did in years gone by. This is an important issue, and because it is an
important issue the Rudd Labor government has committed $12.9 billion to try to implement
a sustainable, long-term plan for Australia’s water needs.

Dr JENSEN (Tangney) (8.10 pm)—I support the motion put forward—in particular real
assessment of the scientific data. The global water cycle atlas based on the IPCC fourth as-
sessment report climate models by Lim and Roderick was published this year, using the same
dataset for precipitation models as used by the fourth IPCC report. In the 39 models exam-
ined, the Australian average precipitation from 1970 to 1990 varied from—get this—190.6
millimetres to 1,059.1 millimetres per year. The observed annual precipitation for Australia
over the 20th century falls in the range of 400 to 500 per year. Hence there were large differ-
ences between model simulated precipitation and observations.

Of the 39 model runs examined for the A1B scenario, 24 showed increases in Australian
precipitation to the end of the 21st century while 15 showed decreases. The overall average
across all model runs was for a small increase in Australian annual precipitation of eight mil-
limetres per year by the end of the 21st century. Within that average, some models predict a
drop in annual precipitation of as much as 100 millimetres per year—notably CSIRO—while
others predict increases of the same order. Note that CSIRO is one of the most pessimistic
models in terms of future rainfall predictions. Guess which model the Garnaut report relied
on.

Much discussion of the Murray-Darling Basin relates to inflows. This is fair enough in
terms of examining what is important, which is water in the system, but allows blame to be
attributed to climate change. This is baloney, as can be seen by the Bureau of Meteorology
rainfall charts, where it can clearly be seen that rainfall in the Murray-Darling Basin is nor-
mal. The reasons for reduced run-off are more plantations in the top of the catchments, catch-
ment-wide drainage management plans put in place in the 1980s and 1990s to lower water
tables and more efficient water use resulting in less leakage.

Dr Kevin Trenberth, IPCC coordinating lead author, stated in a Nature blog in June 2007:
I have often seen references to predictions of future climate by the Intergovernmental Panel on Climate
Change (IPCC), presumably through the IPCC assessments …

Since the last report it is also often stated that the science is settled or done and now is the
time for action. In fact there are no predictions by IPCC at all, and there never have been.
There is no estimate, even probabilistically, as to the likelihood of any emissions scenario and
no best guess. This is from an IPCC coordinating lead author, remember. Even if there were,
the projections are based on model results that provide differences of the future climate rela-
tive to that today. None of the models used by IPCC are initialised to the observed state and
none of the climate states in the models correspond even remotely to the current observed
climate. In particular, the state of the oceans, sea ice and soil moisture has no relationship to
the observed state at any recent time in any of the IPCC models.

There is neither an El Nino nor a Pacific decadal oscillation that replicates the recent past.
Moreover, the starting climate in several of the models may depart significantly from the real
climate, owing to errors. I postulate that regional climate change is impossible to deal with
properly unless the models are initialised. The current projection method cannot work for many aspects of climate, especially those related to the water cycle. So much for the science being settled; we now have bad policy based on bad science. The solution to the Murray-Darling Basin problem will only result if the correct question is asked as to the causes of the problem. At present, green ideology is inhibiting the correct definition of the problem, and the Murray-Darling will continue to suffer as a result. Mr Deputy Speaker, I seek leave to table these documents.

Leave not granted.

Mr ADAMS (Lyons) (8.15 pm)—I would like to thank the member for Riverina for her motion to allow us to talk about the water situation in Australia. I have been doing a bit more research on the drought situation and the availability of water in Australia. Australia has always been a dry continent. The water distribution has moved somewhat over the centuries, but the amount of water that has fallen on the continent has not changed greatly. The earliest discussion on this was by George Woodroffe Goyder, a government surveyor in South Australia. His explorations, surveys and reports, which stated that the north of South Australia had some excellent pastoral lands and were not just arid sands and saline deserts, attracted pastoralists to the area. Soon he was asked by the government to travel north once more to value pastoral properties and fix new rentals, as many pastoralists were making substantial profits. As early as 1858, Goyder became involved in the selection and survey of government towns. But he soon questioned the wisdom of establishing townships in pastoral areas. By the 1860s, the government was laying out towns in agricultural areas, and it was here that Goyder’s ideas were followed and town design changed.

When pastoralists complained during the severe drought of 1863-66, Goyder went north to reassess their properties. The first eighteen valuations carried out by Goyder were published in the Adelaide Express in September 1864. His line of travel, which amounted to nearly 5,000 kilometres on horseback, marked off the line of drought and became known as Goyder’s line of rainfall. He drew a line indicating the limit of the rainfall, which coincided with the southern boundary of saltbush country. It separated lands suitable for agriculture from those fit for pastoral use only. It also marked areas of reliable and unreliable annual rainfall. When agricultural land became scarce, combined with good seasons and crops during the early 1870s and the expected income of land sales, the government was persuaded to disregard the line and allow farmers to buy land north of the line—a mistake that had long-term implications. So it is not that we do not know that Australia has marked ups and downs in its water availability; it is that some have chosen to ignore it over time, and this has been a prime factor in water being wasted or hoarded in different areas, or degraded in others, and land being overfarmed in some of the driest areas in the continent.

So, while I agree with the sentiments encapsulated in the member for Riverina’s motion, I think we have to start doing the calculations to understand what exactly the problem is. We need to revisit the methods of Goyder. We can do that much more easily now because we have satellite imaging and photogrammetry—rather than riding a horse around, but the principle should be the same. We need to farm smarter and understand the cycles that exist and how they can be adapted by using the natural cycles. With that intelligence, we can understand what crops need for maximum growth. I also came across a book entitled Water, wit and wisdom by Colin Austin, an engineer who made his fortune working in plastics but sold up and,
using his curiosity of water flows through soil and with a healthy disdain for bureaucrats and politics, came up with some very plausible solutions to water shortages in Australia. These solutions involved using the natural consistencies of soils, and understanding how water flows through them, saturation levels and how to get rid of the inevitable salt that is part of the irrigation cycle. His ideas are well worth looking at, and I commend them to you. For too long we have worked on the basis that we have a lot of land and, once a bit is exhausted, we can move to another bit. This may have looked okay when we had a population in the thousands but, when we got to the millions, it did not work. We need to help communities understand land better, learn how to farm smarter and really keep in mind that we are a dry continent and that climatic changes will probably mean more extreme weather events. (Time expired)

Ms LEY (Farrer) (8.20 pm)—I thank the member for Riverina for this opportunity to speak on the very important matters concerning the electorate of Farrer as they relate to water availability in the Murray and the future of the rural communities that mean so much to those of us who represent them in this place. During the course of the current debate about climate change and water, it is interesting how many things become received wisdom in our capital cities and, indeed, across a lot of Australia. We cannot grow rice, we cannot grow cotton, the future projections are all bleak and there will be the same small amount of water in the catchments now for the rest of civilisation. More water must be returned to the Murray and must be returned urgently. Governments must act et cetera, et cetera. I have always worried that by saying something often enough it becomes the truth to those who do not understand it and even to some of those who should know better.

The report by the CSIRO Water availability in the Murray is part of the Water for a Healthy Country national research flagship. The CSIRO has received about $12 million to produce this report. It contains various scenarios for, I think, 18 catchments within the Murray-Darling Basin. When it was released recently, particularly the reports on the Murray and Murrumbidgee valleys, the reaction was of great uncertainty and great confusion. But when I looked more deeply into the report, I found that what was being reported in the media was one of the scenarios that the CSIRO had presented in these reports. In fact, what they have done is come up with four possibilities: one based on historical climate; one based on recent climate, 1997 to 2006; one based on the best estimate of climate change by 2030—so that is a prediction or a model; and a fourth scenario based on likely future development with likely future climate change. I think we can discard that fourth one because there are too many variables. What was reported was the most severe of these three remaining possibilities, and that was based on recent climate—1997 to 2006. Whatever side of the argument you are on you probably do not think that the last few years of rainfall in the southern Murray-Darling Basin are typical or will remain so, so it is disingenuous, to say the least—and downright fraudulent, at best—for this to become the received wisdom. What this particular scenario homes in on is that average surface water availability would reduce by 30 per cent, diversions by 18 per cent and end-of-system flow by 46 per cent, which would be enormously worrying to anybody who read it.

But the best estimate of climate change—which, again, is based on a model—is by the CSIRO’s admission less severe than the recent past. Average surface water availability will be reduced by nine per cent, diversions by two per cent and end-of-system flow by 17 per cent. That is far more manageable. People who talk about this stuff do not realise that there are
farmers and communities that are balanced on a knife’s edge at the moment, particularly for general security users with three zero allocations in a row. They listen to this stuff and believe that doom and gloom is all that awaits them. It is irresponsible. I ask the CSIRO to talk up the positives in its reports and to allocate some of the generous funding that it receives from government and partnerships towards the sustainable communities part of its charter.

We need the science and we need the science to be accurate but, when we are talking about this level of scenario based modelling, I wonder whether there might be other opportunities for us to pursue practical outcomes for rural communities rather than to let this hang in the air as something taking away the hope for our future. There is no question that the Murray and Murrumbidgee valleys are struggling at the moment, but people can cope if there is a message of hope. I think it is very important that those like the CSIRO are part of delivering that message of hope.

Mr KELVIN THOMSON (Wills) (8.26 pm)—Regrettably, it seems to me that the member for Farrer, like the member for Riverina earlier, is simply in denial about the present state of the Murray-Darling Basin. I do not wish to talk about future projections; let us talk about what is happening now. If you look at the Coorong now, the measurements of water birds and the like there have declined dramatically over the course of the last couple of decades. There were 40,000 curlew sandpipers; more recently, there are 2,000. Other species have experienced similar declines. The picture for the Murray-Darling Basin is loss of river red gums, rising salinity and frequent algal blooms in a river system whose mouth is kept open by dredging at the mouth of the Murray.

This is not a question of projection; this is a question of the present state of the Murray-Darling. It is the present state of the Murray-Darling under the watch of those opposite. The member for Riverina is a good person, decently motivated, but the political party of which she is a member stands condemned for presiding over the trashing of the Murray-Darling Basin. If you look at the Coorong, the Macquarie Marshes or other parts of the Murray-Darling, you see that this is a river system which they have represented. I heard the member for Calare saying in the parliament today that all of the 17 electorates around the Murray-Darling Basin are held by coalition members. I am sure he is right about that, but it is a sad commentary on their representation of this area that they have managed to kill the goose that laid the golden egg and are now in a state of denial about the present health of the Murray-Darling and the need for action to be taken.

Having presided over this inaction, they are bereft of solutions. If patriotism is the last refuge of the scoundrel, consultation is the last refuge of the policy-bereft. The member for Riverina’s resolution calls for consultation because, frankly, the opposition have nothing else and, having nothing else, they stand in the way of the government’s attempts to solve the problems which the opposition have created. Each time you look at Labor’s endeavours to solve the water issues—whether it is the purchase of Toorale Station, the pipeline in Victoria or the desalination plant to bring water to Melbourne—the opposition runs interference on those proposals. They have nothing of their own to respond with, but nevertheless they run interference on Labor’s solutions. In relation to the issue of climate change, we still have the member for Farrer and others out there wanting to say, ‘Let’s look on the bright side,’ and ‘The CSIRO should talk it up.’ What the CSIRO owes—and, indeed, is delivering—to this country is a clear statement of the likely water availability for farmers and communities with an interest in
I commend the work of Dr Arlene Buchan and Amy Hankinson from the Australian Conservation Foundation, who have been working on a targeted land and water reform package which would help reverse the decline in the condition of rivers and wetlands, improve the profitability of agriculture and boost the confidence of rural communities of the Murray-Darling Basin. They have brought forward a targeted approach to land and water reform which I think would benefit the Murray-Darling Basin by securing water entitlements with a reliability that would provide secure environmental flows to restore system health.

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! The time allotted for this debate has expired.

GRIEVANCE DEBATE

Debate resumed from 24 November.

The DEPUTY SPEAKER (Mr AJ Schultz)—The question is:

That grievances be noted.

Swimming Pool Covers
Dunkley Electorate: Roads

Mr BILLSON (Dunkley) (8.30 pm)—I rise tonight under the protection of parliamentary privilege to talk about a scandal and a cover-up. Sadly, the scandal is all too present across Australia and the cover-up is not broad enough. The cover-up I am referring to is the covering up of domestic swimming pools. The scandal is that so few jurisdictions across Australia seem to take the evaporation loss from swimming pools seriously. When you look at the circumstances in my own state of Victoria—and I am sure the member for Corangamite would join me in defending the weather of our fine state—in the six months of the peak evaporation period, a pool of 9.2 metres by 4.5 metres loses about 48,000 litres of water. That works out at about 8,000 litres for each of the six evaporation months of October through to March. The scandal is there are so few jurisdictions taking this enormous loss of water seriously and so many happy to look the other way when swimming pools are topped up with potable water.

The effort that is required to protect these pools against severe evaporative loss is not a difficult proposition. It involves the purchase of a pool cover. If that is not your go and you would rather have the visual splendour of the reflection off the water, there are now silicon based pool additives that put a film over your pool. When you dive into it, the surface tension is broken, allowing you to swim and enjoy the benefits of pool ownership, and over time the film reconnects itself. These simple, practical measures are very meaningful ways for people, particularly in urban communities, to make a contribution to water conservation.

It is a scandal that these requirements are only present in some jurisdictions. In the state of New South Wales, when there is a major renovation costing over $100,000 and a pool is involved, there are duties on the proponent to reduce water loss either by shading the pool area or by covering it and to support that action by installing a tank that can be used to top up the water. In the Northern Territory they make a $50 rebate available for devices that save water, including pool covers. In Queensland, under their home and garden water wise rebate schemes, there are swimming pool cover and roller rebates of up to $200. In South Australia,
particularly where level 3 restrictions apply in the river Murray on the southern Fleurieu Peninsula, only if you have proof of purchase of a pool cover can you seek to have a permit to own a pool or a spa.

All of these are examples of where jurisdictions have taken this seriously. As for Victoria, it is noted on the Our Water, Our Future website that covering your pool or your spa is a helpful thing to do. But, as was noted in February 2008 by the Swimming Pool and Spa Association, that advice about what is helpful is not then supported by practical action to encourage people to take that up and to introduce themselves to the water-saving opportunities of pool covers. This is a scandal and it is a cover-up that needs to be extended right across Australia. It is a very practical thing that people can do to save water. It is one of the issues that occupies the minds of my community and is part of some of the discussions down in the electorate of Dunkley.

But what is causing a great degree of grievance is that people who live adjacent to the connection between the Frankston Freeway and the new EastLink toll road could not actually hear each other having that conversation. The lack of noise barriers for the community around Peterson Street in Seaford, or the Belvedere Park area, which some people would be familiar with, means that the added traffic volume and the added weight and size of vehicles using that area is making life unbearable for some of my local residents.

When we sought to pursue this issue we got the biggest run-around you could ever imagine. First of all we were told: ‘No. It’s the responsibility of SEITA.’ SEITA is the Southern and Eastern Integrated Transport Authority, which oversaw the EastLink project. They said: ‘No. Take it up with the tollway constructor.’ We then got told: ‘No. It’s not the tollway constructor. Go to VicRoads.’ VicRoads then said: ‘No. It’s a local road issue. Take it up with the council.’ The only thing that was comforting was that people could not hear this nonsense because of the darn road noise!

What people want is some action. Finally, there are now people taking some sound measurements. What they have found is that, in some circumstances, the standard VicRoads acceptable level of noise for a road is exceeded. But we have also been told that the wind was blowing in the wrong direction and that affected the precise measurement of the volume of noise. As interesting as wind direction is for people—and I know wind has a bearing on sound movement and, in this case, volume—people in those homes are not really that concerned about the direction of the wind. What they are troubled by is the noise. Whether the wind is blowing east or west, it is the noise that is causing them some grief. If the wind factor is to be used as an excuse not to put up proper sound barrier protection then that is a fairly feeble excuse.

The threshold for sound barrier treatment on an existing road is 68 decibels. On the EastLink project, it is actually less. Then we have this nonsense that, because these people live near to Frankston Freeway, which used to have two lanes but now has three lanes because there is a merge lane with EastLink, they have been told they do not actually live on EastLink. They are therefore not part of the EastLink sound assessment; they are part of the old Frankston Freeway. The road has gone from two to three lanes because of EastLink. Some of the vegetation that existed was knocked over during construction because of EastLink. If those people had lived 100 metres further along, on EastLink as described by the state road authorities, they would have had a sound barrier built.
As you move up EastLink, particularly around Bangholme, there are a couple of homes—not nearer to the freeway than the ones I am talking about—with magnificent sound walls protecting them. I think that is fair enough. There is even a mock hotel of about eight storeys, near the Dandenong area, that lights up at night as road art. I am all for public art. I think it is terrific. But when you see this empty stairwell masquerading as a hotel beside a toll road, when just a few kilometres down the road people want to pick up that empty stairwell that is art, turn it on its side and use it as a sound barrier, you can understand how unhappy people in my electorate are and why this is a very important topic for a grievance debate.

These people have been given the very feeble explanation that they are not part of the EastLink project, even though they have an extra lane in front of their property because of EastLink and the trees that used to provide some relief have been knocked over because of EastLink construction. Even if you put that to one side, under some circumstances they still trip over what is an acceptable sound level. Surely these people deserve some relief and some decisive action? I call on the government in Victoria to provide that decisive action.

That leads me to another roads topic. I have talked in this place before about the choke point, the extraordinary congestion at the end of the Frankston Freeway, at the Frankston-Cranbourne Road, where everybody knew that EastLink was going to add to what was already a disastrous intersection. I have now had a letter back from the office of the Minister for Roads and Ports telling me that they are monitoring the travel patterns following the recent opening of EastLink. I am pleased that someone is monitoring the traffic. They do not have to be too nimble, because it is not moving. The congestion means that they can take all day to count the increased traffic volumes and realise that the magnificent run you can get on EastLink comes to a screaming halt when you get to the Frankston Freeway intersection with the Frankston-Cranbourne Road.

My question to the state government is: what has happened to the $15 million the state Minister for Roads and Ports and the local state Labor member proclaimed would address this congestion problem? That $15 million has disappeared and we are wondering where it has gone. Here is an example of bureaucracy running amok. We are being told that we have lost the $15 million—because it is not mentioned at all in this letter. We are told that there is half a million dollars to investigate possible treatments at the intersection, after an announcement that the treatment was an elevated turn section, and all we have to show for it is the state minister’s press release. That is the only piece of tangible evidence that anything is going to happen.

That has now disappeared. We have people commuting to the Mornington Peninsula and just sitting on the side of the freeway and reflecting. They are wondering how the investigation of the traffic problem is going. This is not good enough. Everybody knew this was going to be a problem. The state government, to its credit, acknowledged it was going to be a problem. It made its big announcement. Nothing has come of it. The congestion is getting worse and worse. Here is a free tip from a non-traffic engineer: I am guessing it is going to get even worse over summer. When all of the summer traffic comes down to the Mornington Peninsula, what is cactus now is going to become a nightmare. In the 13 seconds left to me, can I add this: bright sparks check their Christmas lights before they put them up. Let us not have any fires in people’s homes this year. Take care putting up your Christmas lights. Be aware that that little bit of brightness can be enhanced by good quality lights. (Time expired)
Infrastructure

Ms BURKE (Chisholm) (8.40 pm)—Tonight in the grievance debate I also want to talk about infrastructure. But I want to talk about it from a federal perspective and praise the current Rudd government, which has rightly placed infrastructure and nation building high on its reform agenda. One failure of the previous government was that it did not invest in nationally significant infrastructure programs. This is a big issue within my electorate of Chisholm. The Rudd government has proven in its first 12 months of office that it is committed to implementing its long-term vision to improve local and national infrastructure across Australia and it is serious about bringing national leadership and new thinking to planning, financing and building our economic infrastructure.

I welcome the government’s recent announcements concerning the Regional and Local Community Infrastructure Program. This $300 million commitment will boost local economic development and support jobs in communities across the country. This announcement will allow local governments to get on with the job of addressing their infrastructure backlogs and delivering quality facilities to communities. I want to commend all of those people who participated in local government elections across Victoria at the weekend and wish all those newly elected councillors well. Going into local government is something that I do not think I ever could have done. It all seems a bit too hard, to be quite honest. The two main councils in my electorate of Chisholm are Whitehorse and Monash, and they have received grants of $554,000 and $570,000 respectively under the community infrastructure program. The councillors have welcomed this, and I look forward to working with them on many infrastructure programs in my neck of the woods.

Chisholm is an electorate which is technically defined as ‘inner metropolitan’. When my parents bought there it was the absolute boondocks, but now it is inner metropolitan. It is scary that that has happened in the short 42 years since my parents moved out there. From Box Hill North down one end of my electorate to the north and Oakleigh and Clayton in the south and from Glen Waverley and Mount Waverley in the east to Burwood and Chadstone in the west, it is the ‘burbs’, and I am proud to represent them. It is an obvious reality that suburban electorates such as Chisholm, which surround capital cities, are where the majority of Australians actually choose to live. It is therefore imperative that these communities have access to an acceptable standard of infrastructure. I would contend that under the previous government suburban Australia missed out. We were continually overlooked with regard to infrastructure but we face as many infrastructure challenges, and they are compounded by the fact that suburbia is where the majority of people actually reside.

There are a number of major projects in my electorate that I want to speak of tonight. The first, and I have spoken about this previously in this House—and I hope I will not have to continue, but I probably will for a long time—is the Huntingdale-Rowville train line. We desperately need an extension of the Huntingdale-Rowville train line. Currently, the train line stops at Huntingdale and everybody has to get off the train and onto a bus. Why this is so important to me is that the majority of people getting off at Huntingdale are students going to the Clayton campus of Monash University. There are 20,000 students at the Clayton campus, and in excess of 3,000 people work there. As an ex-student of Monash—a terrific institution in my electorate and one I am very proud of—it is just ridiculous that the main thoroughfare from
the city out to the suburbs ends and then you have to get a bus. It is too far to walk. I have
done it on several occasions, unfortunately, and I know it is way too far to walk.

Beyond the university campus, which would be greatly enhanced by this train line, are the
growing eastern suburbs out to Rowville. There are many more people living out in that neck
of the woods and there is no appropriate transport. We need a heavy rail line. This would
greatly reduce the number of cars on the roads, and that would bring down greenhouse gases.
It would greatly assist the students, many of whom are international students living in the in-
ner city and travelling by train. It is a great impost on them. You literally can wait for three or
four buses before you can get on one, after you have been on a train, to finally get to univer-
sity.

The Monash University Student Association and the Eastern Transport Coalition have been
campaigning about the project for many years, lobbying both state and federal governments to
commit funding. The Clayton campus at Monash has 20,000 students and 3,000 staff, and this
would greatly alleviate the problem of access to the campus. If you have not been there, the
Clayton campus at Monash is in the middle of nowhere, so to get there most people end up
driving, and the cost of a parking permit on the campus has gone through the roof. What ends
up happening is that a lot of students just do not come to their lectures and really miss out, so
we need to have this bottleneck addressed. I have been inundated with postcards and emails in
respect of this train line, and I really think that we need to address this problem sooner rather
than later.

The other issue is a bit closer to home and a bit more localised, and that is the Aqualink
pool at Box Hill. We have had great discussions about pools within our communities. At the
other end of my electorate, at Monash, two great pools were threatened with closure, and the
community got together and said, ‘No, we actually need our suburban local pools.’ Two of
them had been funded previously by returned servicemen, and again they were a great testa-
ment to our local community. They had been there for a long time. The community outrage
has saved those two pools, and we are now seeing those rebuilt. But at the other end of the
electorate, at Box Hill, the only outdoor pool in that area looks as if it might be up for the
chop, and this is a great tragedy to people in the suburbs. Not everybody has a pool in their
backyard in the suburbs—even in my neck of the woods, where there are some fairly well-to-
do homes—and we need somewhere where community groups can go, where kids can go and
where people can enjoy it.

More importantly, it is the hub where the majority of people in my electorate learn to swim.
Certainly my children started their swimming lessons at Aqualink. The Surrey Park Swim-
ning School is a terrific organisation that commits to teaching local kids and also runs a fan-
tastic program that has turned out some great Olympic champions. Because of the lack of a
terrific 50-metre pool facility in our area—we have a 25-metre pool, and whilst it is terrific it
is not meeting the needs of the area—the club is spending an exponential amount of money
bussing kids to and from pools for squad and having to hire other places. We go around the
world trying to get a school pool and another community pool there, and we are competing
with other clubs. It is certainly holding the club and the area back.

I think this is a great infrastructure development that would greatly benefit my community
across the board. We do not need to talk about the benefits to fitness and exercise from having
great community access. I will show my true colours: I am a card-carrying member of
Aqualink Box Hill and regularly use the gym and the pool there when I am not in Canberra. I am quite a regular, and most people know me because I go very red when I exercise and everybody is worried that I am going to have a heart attack; it is just that I go very red. So I want to testify greatly to the value of this facility, but it needs some extra money to get it on its way and to protect outdoor water access for the community. We would be greatly distressed if this went. The pool is on the site of what is known as the old Surrey Dive, which has been going for a century. The old Surrey Dive was literally a big rock pit where the old quarry was. We do not need to have those standards anymore, but we still need a pool in the suburbs that is accessible to all people.

The other big issue in my neck of the woods is Box Hill Hospital. Box Hill Hospital is a terrific institution, but like a lot of the things within the suburbs it has been there for the last 50-plus years and it is showing its age. This is a hospital with enormous throughput, and not just from my area. The hospital accommodates people from as far away as Tasmania. Certainly people from the member opposite’s electorate come down from McMillan to go to Box Hill Hospital because the infrastructure and the facilities are there. But it is ageing, and we desperately need an upgrade. The state government has committed to rebuilding the whole hospital. It will be a very expensive project, but it is one that needs to be done. It will greatly improve health services across the eastern suburbs and more importantly, as I say, across all of Victoria. A stronger health service in Victoria will improve outcomes for everybody. I represent a great multicultural electorate in the eastern suburbs, and the hospital has adapted very well to multilingual facilities, particularly in obstetrics. It is wonderful that somebody who is fluent only in Chinese can give birth and not feel terrified or scared, because the facilities are there and the doctors and nurses there can speak in their language.

These suburban infrastructure projects need priority. They need attention as much as regional and remote ones do. The people in my electorate have been suffering for lack of attention for a long time and, if we can improve access to community transport and to community health centres, we will be improving the lives of everybody. And that will take a cost burden off the government because we will be reducing greenhouse gas emissions. We will be making the health outcomes of individuals better. We will be reducing obesity. So it is a win-win for all, and I am calling upon the state and federal governments to get together. I know I will be talking about these continually because we need to do more to ensure that the lives of everybody in Australia, no matter where you choose to live, are looked after. And, yes, we are better off because we have access to these things, but, if they degrade to the point where they are no longer serviceable, then we all lose. (Time expired)

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! Before I call the member for McMillan, can I remind all members they have an obligation to address their remarks through the chair.

Mr Petro Georgiou

Mr BROADBENT (McMillan) (8.51 pm)—Who among us would choose to listen to a voice of reason and conscience in an ocean of expediency, perceived self-preservation and political thuggery? One hundred years after an immigrant from the other side of the world became Prime Minister and formed the first majority government of Australia, a future parliamentarian was also born on the other side of the world—one who showed fearless leadership, an emboldened heart and compassion writ loud. He led this nation out of the moral
darkness wrought by the incarceration and indefinite detention of refugee women and children by force of his presence and standing—a presence and standing that proved superior to a complaisant government and a facile opposition, a presence and standing amongst the Australian people that catapulted him above the concerns of self-preservation, the acceptance of his colleagues, criticism of his detractors or the threats of his enemies.

Blessed by his mother and father with an analytical mind and an enviable intellect, able to focus more acutely on a given subject than most men, he is a foe to be feared and a friend to be admired and cherished. Of whom do I speak? Read for yourselves the editorials and letters to the editor, listen to the radio commentary or watch the short grabs of television coverage of last week. Sadly, all of this will be lost in the ether of the days of this year. Thankfully, that which will never be lost to the generations of immigrants to this country is the knowledge that one man abandoned himself so that others might be free to hope and dream of a greater future for themselves and their children— to the generations.

Of whom do I speak? They call him Petro, but do not ask me about him because I am outrageously biased! A faithful friend in my times of trouble, self-doubt and difficulty. Last week the Australian wrote, ‘You either love him or hate him.’ I happen to be of the former persuasion. This man, who walks comfortably with community leaders, former premiers and prime ministers, keeps safe his greatest respect for his constituents and the people of Australia—even the last former Prime Minister, and some would observe them to be adversaries. Out of personal experience, I saw two men with great respect for one another; respect only earned out of the mutual understanding and shared knowledge of the exceptional qualities that each possessed; respect hewn out of years of interaction occasioned by their colliding political pathways; respect not born out of position, power or authority but incubated in deferential regard for the intelligence and considered determination of the other; respect that overrules ordinary expectation.

I speak not in sentiments of ending or closure but of shifting winds and new beginnings for, as the intention to leave parliament is announced at Petro’s time of choosing, so begins the next great adventure. So few leave this place at a time of their choosing. I say this in the context of Alan Saunders’ words in the Readers Digest of January 1957:

Life is what happens while you are making plans.

The founder of the party of which I am a part, Sir Robert Menzies, built the party on a foundation of plural traditions of free thought and individual conscience. Free thought and individual conscience are not things to be used frivolously, nor taken lightly, but are freedoms that are embodied in the traditions of our party. Petro observed this tenet rigorously. When I reflect on Petro’s considerable achievements I am drawn to consider that the conflict between principle and expediency is not new. I quote from David Day’s biography of Prime Minister Andrew Fisher, when in March 1905 Henry Boote, editor of the local Gympie newspaper, wrote:

The path of expediency is always a tempting one for the politician. It is smooth and level and there are places of refreshment en route. The path of principle on the other hand is rugged and uninviting—yet only along the inhospitable road can we reach the goal of our desires.

The Age newspaper put it differently in the editorial of 24 November of this year:

Petro Georgiou leaves Parliament as he entered it, a backbencher, but his record is more distinguished than many a minister in the Howard government. In 2006, when Mr Georgiou faced a preselection challenge in Kooyong, former Premier [of Victoria] Jeff Kennett endorsed him as ‘the definition of
what Liberalism is about’. Yet it was Mr Georgiou’s brave and often lonely defence of modern Liberal values in an increasingly hardline government that ensured he was denied the ministry that his talents merited.

His is a record of decades of productive service to the Liberal Party. From 1975-79, he was a senior adviser to then Prime Minister Malcolm Fraser. Mr Georgiou was a key player in building a multicultural society and founding SBS. As Victorian state director from 1989 until 1994—when he replaced Andrew Peacock at a November 19 by-election—Mr Georgiou then rebuilt the Party. He oversaw Mr Kennett’s rise to power in 1992.

However, Mr Georgiou’s greatest contribution is arguably a result of his role on the Howard government back bench as a voice of principled, internal dissent. More than anyone—certainly more than a timid, easily disregarded Labor opposition—he managed to limit the excesses of asylum seeker policy and helped turn the tide against mandatory, indefinite detention. In the years of ‘war on terror’ panic after September 2001, Mr Georgiou negotiated safeguards when security laws went too far and spoke eloquently against the betrayal of democratic values.

On issue after issue—mandatory sentencing, multiculturalism and citizenship come to mind—Mr Georgiou offered a moral compass as others set courses of pure political expediency. Attesting to the value of the politics of conscience, subsequent events have vindicated almost all the stands he took—Petro will leave this House better than he found it. How many of us could claim that mantle? With a twinkling eye, I am reminded of the time now limited to the life of this 42nd Parliament. Petro is still here, even for a time such as this. On the night of Friday the 21st, before I learned he was leaving, I had written on his birthday card: ‘With the best yet to come’—and so it shall be.

Mr Petro Georgiou
Self-Funded Retirees

Mr CHEESEMAN (Corangamite) (8.59 pm)—I would also like to express my regard for Petro Georgiou for the contribution that he has made to this place. I certainly enjoyed the tribute that the member for McMillan paid to his friend.

I would like to take this opportunity to say a few words about the current predicament of self-funded retirees. I do this on behalf of the many self-funded retirees who have contacted my office about their situation. We have a large number of self-funded retirees in Corangamite, as do many other parts of Australia. Obviously, many self-funded retirees are over 65. That means that the vast bulk of them were born before the Second World War, and many were born well and truly before that. They are a generation that grew up in very different times to these. Either they or their parents fought in the Second World War. They are a generation that had to rebuild our economy at the conclusion of that war. In short, this is a generation of Australians that made Australia what it is today.

I want to say something about the values of this group of people, from my experience and observations. Self-funded retirees are people who usually worked hard all of their lives. They have grown up believing in the value of hard work, believing in a work ethic. They have grown up on the values of hard work, planning ahead and being prudent. Most self-funded retirees I know are not preoccupied with having all of the little knick-knacks, but they plan for a quality of life that revolves around values, being able to support their families and spending time in their retirement around Australia. Today, the plans of most self-funded retirees have been turned on their head. Most self-funded retirees have seen their savings and income de-
crease due to the collapse of the share market in this global economic crisis. This has happened through no fault of their own.

I want to address two issues here: why has this happened and what are the consequences for self-funded retirees in Australia? So why has this happened? How could it happen? An opportunistic opposition has tried to blame the Labor government. The argument is that Labor’s bank guarantee scheme has caused the problem. Some in the opposition say we should not have given that sort of blanket guarantee. Others in the opposition seem to suggest we should not guarantee banks at all but leave it to the free market. Others seem to suggest we should guarantee all shares and stocks, a promise they know no government can give. Those arguments are a lot of nonsense. What a lot of opportunistic nonsense.

Self-funded retirees know exactly why this has happened. They know there is one reason for this, and that reason is greed. Self-funded retirees know their incomes have been cut because of a system that encouraged greed; a system that meant higher profits had to be made to make up for the salary expectations of directors and executives; a system of greedy executives working in unregulated, non-transparent markets where high risks were often not disclosed to investors; a system with exorbitant salaries and incentives in place to encourage ridiculous risks; a system that encouraged higher and higher risks so executives could make more and more money; an insurance and reinsurance system with further derivatives; a house of cards system that has collapsed, leaving thousands of self-funded retirees out of pocket.

I am someone who does support a market based system but who makes no bones about the need for proper regulation and disclosure that will serve to protect people’s investments. I make no bones about the fact that I think directors’ and executives’ salaries are often out of control. It is a system that is repugnant to many self-funded retirees, who believe in modesty and prudence. I think every self-funded retiree would agree with me that the system and the salaries paid to executives and directors are totally out of control. Most people I meet are just appalled by the greed of it all—the inflated sense of the people who took those people’s money. I think most self-funded retirees agree that there was not sufficient disclosure of the risks of their investments.

What are the impacts of this? Of course, this has put enormous hardship on many people in this group. Many self-funded retirees are having their worlds turned upside down through no fault of their own. Many self-funded retirees have to make very substantial adjustments to their daily lives as a consequence. Some have existing financial commitments that now put them in a very difficult financial position, and of course there will be a very significant impact on the taxpayer. The great benefit of self-funded retirees is that they lighten the weight on the public purse. Today, a higher proportion of formerly self-funded retirees are signing up for the pension. The government is always there to help retirees when they need that support.

On top of providing the pension for those formerly self-funded retirees who now need it, the Rudd government has also provided a one-off $1,400 payment to single pensioners and a $2,100 payment to pensioner couples. This payment is also being made to self-funded retirees who are holders of a Commonwealth health care card. That is of help and it is in recognition of the existing pensioners and those self-funded retirees in these very challenging economic times. Despite these payments, there is no doubt that many self-funded retirees have lost a lot, with many undergoing a lot of stress and hardship.
What are the solutions for self-funded retirees? Firstly, as I have said, we have to be there with the pension, which is a safety net. We are currently going through a major review of pensions to look at the adequacy of them. But there are also some critical things we must do for self-funded retirees for the long-term health of their savings. First is restoring confidence in the market. I have to say that the opposition’s opportunistic comments are no help here. One day they say that they will take a bipartisan approach and support the government’s economic security initiatives; the next day, or often later that afternoon, they are busy backtracking and undermining confidence. I say to every opposition member, and this is very important: every time you undermine confidence in the system, you undermine the savings of self-funded retirees. The opposition need to think before they try to score a cheap political point on the economic security crisis. Every time you make cheap, opportunistic comments that undermine the government’s confidence-building work in our economy, you are undermining the incomes of self-funded retirees.

We have to restore confidence, but just as important is the work that the Prime Minister is doing in trying to bring reform to the regulation of world markets. We need better regulation, particularly of derivative and insurance and re-insurance markets, more transparency and better accountability. That, in the end, is what will bring about confidence. I applaud the leadership that the Prime Minister is showing through the G20 and APEC initiatives. I certainly would not underestimate the task. We owe it to self-funded retirees to fight to put in place reforms that will restore confidence to our financial system, to put in place regulations that make our international financial system more secure and to restore the value of the market and their hard-earned savings.

As I indicated at the commencement of my presentation, self-funded retirees have worked hard all their lives. They have worked hard for their families. Their contribution and commitment to building a modern Australian community has been very significant and underlies the place that we now call Australia. I certainly look forward to working with self-funded retirees in ensuring that they can continue to enjoy healthy and safe lives.

**Infrastructure**

Mr HAWKE (Mitchell) (9.09 pm)—I am certain that the member for Corangamite ran out of time; otherwise he would have added to his presentation that he would be opposing the Rudd government’s changes to income and assets eligibility for self-funded retirees. Those changes will see thousands of self-funded retirees lose their Commonwealth Seniors Health Card entitlement, which they desperately need in these difficult times.

However, my grievance tonight relates to suburban infrastructure projects. Last week we saw the first anniversary of the election of the Rudd Labor government. They were elected on the view that there would be a better deal on infrastructure in Australia, that somehow there would be a new deal in the provision of infrastructure in suburban and regional areas. Few if any people, particularly in my electorate and in Sydney, would claim to be better off in relation to infrastructure provision one year into the Rudd Labor government. In their first 12 months in office we have seen reviews, committees, inquiries and anything else to avoid taking the decisions that are necessary to secure Australia’s future. While the federal government have devoted much of their time to establishing these numerous committees, including the new Infrastructure Australia body, with an economic downturn we have seen a lack of action from the New South Wales Labor state government. Interestingly, there has been a collusion...
between the federal and state governments in relation to infrastructure in New South Wales—a plan to bail out incompetence, a plan to avoid providing infrastructure in what they consider to be non-Labor electorates.

I am going to outline why I say that. If we have had a year of Kevin Rudd as Prime Minister and a Labor government, we have had another year of the failed New South Wales state Labor government. Indeed, the north-west sector of Sydney has been given short shrift from both federal and state governments in the year just passed. The federal government was elected on the promise of ending the blame game, but I would maintain the federal government has become the silent accomplice to the New South Wales Labor government in a stunning and graphic failure in the state of New South Wales, especially in infrastructure provision. I can argue that from the position of representing what is arguably one of the most deprived infrastructure electorates within the country.

Over the last decade 150,000 people have moved to the north-west sector, and this figure continues to grow. We are one of the fastest-growing areas in the biggest city in Australia, Sydney. We desperately need infrastructure to meet the challenges of all that growth. The south-west and the north-west of Sydney form the major growth corridors of Sydney. The city of Sydney is bursting at the seams, and population very much falls on the shoulders of the new growth corridors that the state government has created. The north-west is also a major contributor to employment in greater metropolitan Sydney. We have seen a number of industrial and commercial precincts—the Norwest Business Park, the Castle Hill Trading Zone and major shopping centres such as Castle Towers and the new Rouse Hill Town Centre. The Norwest Business Park in particular houses the national headquarters of about 500 companies and provides employment to over 20,000 people. That is a figure which is expected to grow to about 40,000 in the next 10 years.

Infrastructure is desperately needed to meet the massive demands of growth in my area. In the term of the Howard government we saw the M7 orbital funded by the Howard government. That is perhaps the best and most successful infrastructure project within the Sydney metropolitan basin. There is a reason why people in the Mitchell electorate are the No. 1 owners of cars within Australia, with two or more cars per household, according to the census—that is, we have a significant lack of rail and other public transport infrastructure. The New South Wales Labor government have since 1998 promised the people of north-west Sydney a rail line, and still they wait.

In last year’s budget the people of Mitchell were looking for some assistance from the then New South Wales government, when it announced a $12 billion metro. It was to be a new initiative in urban Sydney, in urban Australia. There would be a new metro system. This metro system would come at four times the cost of a normal heavy rail line. We could not understand it. Why would you go for an option that was four times more expensive? Why would you pay $12 billion instead of spending $3 billion on a heavy rail line? The existing network in Sydney is heavy rail line. Some people said it would never be built. I liked to hope the government would not have maintained such a hideous lie to the people of New South Wales when there was no way of providing such a service. But as we now know the state government has ruled out a metro for urban Sydney and it will not fund a heavy rail line for the most car dependent area of the entire country. Indeed, the people of New South Wales are responding accordingly.
In the first budget after the election of the Rudd Labor government, there were announcements in relation to infrastructure. A very curious item crept into the budget last year—that is, the funding of a study for something called a western metro line. On the night of the budget I sought out my staff and said: ‘This is fantastic. There has been a study proposed for the western metro line. That is great news for my electorate, Western Sydney and the people of New South Wales!’ This was the first we had heard of a western metro line, a study of which the federal government proposed to fund. This was not the north-west metro line which had been announced by the New South Wales state Labor government but a new metro line to run from Parramatta to the Sydney CBD.

Where would this metro line go? Why would the federal government be funding a study for a metro line from an inner city area towards the city? Whose electorate do you think this metro line would traverse the entire length and breadth of, even though it was an inner city electorate? Of course, we knew then and we know now that the western metro line, a study of which was funded in the federal budget, would go through the inner city electorate of the Minister for Infrastructure, Transport, Regional Development and Local Government—namely, Grayndler. So there was money to fund a planning study for a metro line for the minister’s electorate, which already has heavy rail line options, bus services and light rail options and which is 20 minutes from the CBD. Yet for all of the outer metropolitan suburbs of Sydney—for Penrith, for Parramatta, for the north-west of Sydney, for Camden, for Campbelltown—there was not a cent in the federal budget for better infrastructure.

It did not end there, so I proposed some questions to the minister for infrastructure regarding this serious issue for the people of Western Sydney and the north-west of Sydney, such as: was he aware of the lack of transport in the north-west of Sydney and why was there a feasibility study for a western inner city metro line through his electorate and not to Western Sydney and north-west Sydney? The only answer that the minister for infrastructure and member for Grayndler responded with was that he was aware that there was no funding provided under the previous government—a very cynical and inept response from the minister. It points to a real lack of commitment by the Rudd government to serious infrastructure projects within our country and within metropolitan Sydney.

We were to learn after the budget last year that indeed the north-west metro was not to be applied for by the New South Wales state government, on the recommendation of the Prime Minister and the Treasurer, because, as the cabinet leak announced, the federal government told the New South Wales state Labor government not to bother asking for funds for the $12 billion north-west metro project because there are no federal Labor votes in it. So now we see that Infrastructure Australia and all the new rhetoric about nation building and a new vision for infrastructure is about nothing more than Labor slush funds. If you looked at the merits of the case, surely there is a case for public rail infrastructure to the most infrastructure deprived area of New South Wales, where you have allowed all of the growth of outer metropolitan Sydney, where you have put thousands upon thousands of new houses and charged them development levies and infrastructure contributions and where you have the single highest rate of car ownership of any federal electorate in the entire country.

This is why I say that the state government is in cahoots with the federal government and that the federal government, more importantly, is in cahoots with the New South Wales Labor government. I asked the Prime Minister a question about this last week. Of course, ‘New
South Wales’ was the one term that would not cross his lips, and it would not cross his lips because the federal government is in cahoots with the state government in avoiding the hard decisions about providing infrastructure regardless of whose electorate it goes through and regardless of where the need is. Infrastructure in Sydney needs to be provided for access to all the benefits that come with it. It is a major grievance for the people of my electorate and I will be working hard for them. (Time expired)

Ms REA (Bonner) (9.19 pm)—Next Wednesday, 10 December, marks the 60th anniversary of the adoption by the United Nations of the Universal Declaration of Human Rights. It is often said that as a relatively small Western nation Australia punches above its weight, a boxing term that ironically applies most appropriately to our role in the development and implementation of that particular declaration. Madam Deputy Speaker, as you can appreciate, only three years after the end of World War II it was significant that the major countries across the world at that time came together and were prepared to develop a declaration putting down the principles based around human rights.

The person who is seen as one of the most significant driving forces in the development and signing of that declaration is our former federal Attorney-General and former federal leader of the Labor Party Doc Evatt—a man who, at the time, was a visionary and whose compassion and eloquence obviously played a significant role in persuading not just a small number of nations but indeed all of those countries then part of the United Nations to sign up to what was probably one of the most significant documents of modern times. It is also important to acknowledge the role of Jessie Street, who worked with Doc Evatt. She was an Australian woman—although she was born in England and migrated here—who, up until her death in the seventies, was a great champion of women’s rights and human rights across the globe. In particular, at that time she was a great champion of Indigenous rights as well. She was a visionary who not only also contributed to championing causes of people within this country but indeed was part of one of the most significant declarations we have seen in modern times. I would also like to acknowledge the role of Eleanor Roosevelt. We know that often the wives of a nation’s leaders are seen as adjuncts or partners to their husbands, but Eleanor Roosevelt deserves great commendation in her own right for being once again a visionary and someone who, by force of her intellect and her power of persuasion, was able to see the coming to fruition of such a significant document.

I talk about this tonight because, as I am the chair of the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, it is obviously a subject that is very dear to my own heart. I would also like to put on record that last Monday the Human Rights Subcommittee invited all parliamentary members and indeed members of various organisations across the country to participate in a forum here in Parliament House which was very successful in the discussion of human rights. Two leading academics in the field, Professor Ivan Shearer and Professor Hilary Charlesworth, both spoke very eloquently about the history of the declaration—where we have come from since 1948 to here. They also spoke very eloquently about the challenges for the future, and there are some. Human rights is one of those things that are an ever-moving feast and one that we should never take for granted or be complacent about.
I am really pleased to be part of a Rudd government that within only its first 12 months of office has already made significant inroads in championing the cause of the protection of human rights not just around the globe but, again, here in our own country. In that short time we have already committed to ratifying the Convention on the Rights of Persons with Disabilities, we have already taken action on the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, we are already a party to the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women and, of course, we are very much supportive of and developing a response to the rights of Indigenous people.

All of these points signal to us as a nation that we do have a role to play on the international stage—and not just because we believe ourselves to be at the forefront of Western democracies. Within our region and across the globe, we will always speak up on behalf of citizens of many countries who, unfortunately, these days are still suffering great intolerance, prejudice and oppression. We must remember that even within our own country there are people who are still discriminated against. There are people who—because of their physical disabilities, because of the colour of their skin, because of their gender—are still not given the equal rights that they deserve. We must always acknowledge that, whilst we play a role on the international stage, we must also be very careful of our own backyard and make sure that we pay due attention to human rights within our own country. I am so pleased to see that the Attorney-General, the Minister for Foreign Affairs, the Minister for Home Affairs, the Minister for the Status of Women and the Minister for Families, Housing, Community Services and Indigenous Affairs have all contributed significantly through these particular UN institutions.

I would also like to say that the signing of these protocols and the support for these conventions reminds us that we must continue to acknowledge, discuss and debate human rights across the board. One thing that I think is really important is that the government has not just enshrined the rights of people that it feels are currently vulnerable; we have begun a process of debate and engagement with the Australian community about how we can even better protect the human rights of individual citizens within our country, about how we can look at what legislative mechanisms are available to the government, about what options we have, about a charter of rights and about which different sorts of mechanisms, enshrined in law, can go even further towards protecting our human rights. It is important that as a country we keep our minds open and discuss the options. I know that there are very valid arguments on both sides, but it is interesting that as a country we are prepared to be mature enough to engage in that debate.

All of this is so pertinent today. When we consider the events over the weekend, over the last few days in Mumbai—when we as a nation, when we as a globe, are faced with the incredible threat of irrational terrorism, of murderous and cruel people who have no regard for the sanctity of human life—it is important that we still ensure the protection of human rights. Whilst we must always oppose and condemn such behaviour, it is also important that all free societies try and get right that balance between protecting our national security, ensuring that we as a community and as a nation are free and safe to go about our daily business as we see fit, and, at the same time, ensuring that we protect our individual rights as citizens, that we protect the freedoms that those who drafted that declaration 60 years ago felt were so strong that they had to put them to paper.
‘The price of liberty is eternal vigilance’ is a phrase that is not often attributed to those who are advocating human rights. It is a phrase used more often in a military context, as the motto of the Returned Services League. That motto applies just as significantly to our military endeavours as it does to each and every one of us, as elected leaders, as individual citizens and as people who are the champions of freedom and democracy. ‘To protect human rights and to ensure that all of us equally have access to the individual freedoms that we all deserve’—that motto just as equally applies. I am very proud to be part of a government that has put this on the agenda, that has clearly put its signature where its mouth is, that has signed up and said: ‘We want to be part of the international debate, but we are not going to pretend that there are not issues in our own home that we need to address, and we will do so in every way that we can.’ I certainly commend the anniversary and call on all members of this parliament to celebrate and commemorate in their communities such a significant birthday.

The DEPUTY SPEAKER (Ms AE Burke)—Order! The time for the grievance debate has expired. The debate is interrupted in accordance with standing order 192B. The debate is adjourned, and the resumption of the debate will be made an order of the day for the next sitting.

Main Committee adjourned at 9.30 pm
QUESTIONS IN WRITING

Kimberley Region
(Question No. 368)

Mr Tuckey asked the Minister for the Environment, Heritage and the Arts, in writing, on 22 October 2008:

What are the physical properties of the entire Kimberley coastline of approximately 6,000 kilometres, that differ from the southern Western Australian coastline that deem the Kimberley sector as ‘fragile’ or ‘environmentally sensitive’, and therefore, worthy of World Heritage protection from commercial development.

Mr Garrett—The answer to the honourable member’s question is as follows:
The Australian Government has not submitted any nomination for World Heritage Listing of the Kimberley Region.

World Heritage listing is reserved for places of outstanding universal value to all humankind. Prior to any such listing, a comprehensive assessment, nomination and consultation process is required which includes comparative assessments with other similar places in other parts of the world. Only those areas that are found to have outstanding universal value can be listed. This process has not commenced for the Kimberley and the Australian Government has not taken any decision to do so.

Australian Federal Police Redundancies
(Question No. 382)

Mr Wood asked the Minister for Home Affairs, in writing, on 11 November 2008:

In respect of the 169 officers who have been made redundant from the Australian Federal Police (AFP):

(a) in what operational and geographical areas were these redundancies made; (b) what impact will these redundancies have on ongoing AFP investigations; (c) how many other planned AFP investigations have been put on hold because of these redundancies?

Mr Debus—The answer to the honourable member’s question is as follows:

(a) Of the 169 AFP employees that accepted the offer of a voluntary redundancy, sixty (60) were sworn officers (Federal Agents and Community Policing) and of this number sixteen (16) only were attached to sworn investigative duties.

The breakdown of numbers by operation/employment group is:

- Protective Security Officers 54
- Unsworn employees 55
- Sworn Officers 60 (comprising 8 ACT Policing; 16 State Office investigators; 26 operations support or corporate and; 10 inoperative/long term leave).

The geographic breakdown is:

- ACT 82
- QLD 14
- NSW 27
- NT 5
(b) and (c) The redundancies will have little or no impact on ongoing AFP investigations. The AFP’s flexible deployment model ensures that investigative resources can be strategically deployed to areas of priority. The AFP initiated the voluntary redundancy exercise in June 2008, to meet changing business requirements. The use of the voluntary redundancy process complements the AFP’s workforce planning and provides a number of re-engineering opportunities for the organisation.