The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

COMMITTEES

Public Works Committee

Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (9.01 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Refit and refurbishment of Tuggeranong Office Park, Canberra, ACT.

The Department of Families, Housing, Community Services and Indigenous Affairs proposes to undertake a fit-out of Tuggeranong Office Park at a cost of $29.872 million, including GST. Tuggeranong Office Park is located at block 2, section 14 in the division of Greenway, in the district of Tuggeranong, in the Australian Capital Territory. The national office component of the department is currently spread over 10 tenancies, with a total net lettable area of approximately 46,000 square metres. The TOP complex is 18 years old and has not been substantially refurbished or refitted since its construction was finalised in 1991.

Works are required to improve compliance of the office accommodation to current Commonwealth standards. The refurbishment and fit-out of TOP will provide a significantly improved level of accommodation and allow the consolidation of FaHCSIA’s property portfolio. TOP provides approximately 33,000 square metres of office space, 2,800 square metres of storage space, 760 enclosed and open car parks and ground-level bicycle parking for 150 bikes. TOP also accommodates the Canberra data centre, which is considered critical national infrastructure.

The works have been scoped to provide a modest-level fit-out that reflects the remaining term of lease to December 2016. This work will ensure that FaHCSIA provides good quality office accommodation and meets its legislative obligations to provide a safe and secure workplace. Subject to parliamentary approval, the program of works is anticipated to commence in September 2009, with a completion date for all works of September 2010. I commend the motion to the House.

Question agreed to.

Publications Committee

Report

Mr HAYES (Werriwa) (9.03 am)—I present the report from the Publications Committee. Copies of the report are being placed on the table.

Report—by leave—agreed to.

CARBON POLLUTION REDUCTION SCHEME BILL 2009

Cognate bills:

CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009

AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009

CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009

CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009

CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009

CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2009

EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009

CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009

CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009

Second Reading

Debate resumed from 3 June on motion by Mr Combet:

That this bill be now read a second time.

upon which Mr Turnbull moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words:—“the House defer consideration of the bill until the following have occurred:

1) the Copenhagen Climate Change Summit at the end of this year has concluded;

2) the Barack Obama administration in the United States has clarified its intentions in this area;

3) the Government has referred its Carbon Pollution Reduction Scheme (CPRS) to the Productivity Commission so that it may conduct a six-month review to:

(a) assess the national, regional and industry sectoral impact of the CPRS in light of the global financial crisis;

(b) assess the economic impact of the CPRS in light of other countries either not imposing a price on carbon comparable to that proposed for Australia or imposing such a price after different assumed periods of delay; and

(c) conceptually and empirically examine the relative costs and benefits (including emissions reductions) of the key alternative scheme designs against the CPRS;

4) the Productivity Commission’s reports on these topics have been publicly released.”

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (9.05 am)—I thank members for their contribution to this cognate debate on the Carbon Pollution Reduction Scheme Bill 2009 and the related bills. The bills before the parliament will implement the Rudd government’s Carbon Pollution Reduction Scheme, which will implement the most significant environmental and economic reform ever undertaken by an Australian government. It is important to consider at the outset why the government is taking this action. The government accepts the science of climate change. Australia is highly exposed to the impacts of climate change. The Intergovernmental Panel on Climate Change, a body consisting of thousands of scientists from around the world, has found that Australia’s water resources, coastal communities, natural ecosystems, energy security, health, agriculture and tourism will have much increased vulnerability if global temperatures rise by three degrees Celsius or more.

Around 80 per cent of Australians now live in coastal areas. Recent science indicates that sea level rises of up to one metre by the end of the century are plausible. Our ecologically rich sites such as the Great Barrier Reef, Queensland wet tropics, Kakadu wetlands, Australian alpine areas, south Western Australia and subantarctic islands are all at risk, with significant loss of biodiversity projected to occur by 2020.

Failing to take action against climate change will also have adverse impacts on our economy. The agriculture and tourism industries in particular will suffer, putting at risk many thousands of jobs. Irrigated agriculture in the Murray-Darling Basin could decline...
by up to 92 per cent by 2100 without global emissions mitigation. So the need for action is clear. It is also critical for investment certainty that the bills before this House pass.

The inevitability of a carbon price is well recognised throughout the business community. Business needs to know how that carbon price will be determined. This is critical for investment decisions to be made. The CPRS will enable the setting of the carbon price through market mechanisms. Without this investment certainty, we will be endangering jobs and future economic growth. The need for investment certainty is clear to mainstream businesses in Australia and has been recognised by the Business Council of Australia and the Australian Industry Group. That is why Ms Heather Ridout, Chief Executive of AiG, just this week said:

We urge the Coalition to work with the Government to ensure the best deal for business and pass this legislation this year.

Yet, instead of the coalition listening to the business community, it has continued to ignore the calls for investment certainty. The coalition is also out of step with mainstream thinking in the financial community. An analysis conducted just last month by Goldman Sachs JBWere on the earnings impact of the government’s revised CPRS proposals on the S&P ASX 100 companies demonstrated clearly:

Investors see no material earnings risks for emissions-intensive, trade-exposed companies from the early years of a Carbon Pollution Reduction Scheme … Far from putting companies in financial trouble, the CPRS will have a negligible financial impact on Australian companies … The Government’s proposed CPRS has sufficient compensation to ensure that company profits and existing investors will not be impacted over the short to medium term … There is no doubt that with the Government’s revised timetable, companies and investors now have plenty of notice about the impact of the CPRS.

This analysis was endorsed by a major group of investors with $550 billion worth of funds under management, including AMP Capital Investors, Colonial First State and BT Financial Group. It is clear that the CPRS is needed for investment certainty and this is recognised in the mainstream business community.

The Leader of the Opposition has advanced a number of fallacious propositions in an attempt to justify delay and opposition to these bills. The first proposition is to delay action here in Australia until it is clear what action will be taken in the United States, namely, through the progress of the Waxman-Markey bill. But the fact is that emissions trading systems or schemes are now widely accepted internationally as the best means of establishing a carbon price and of linking global efforts to reducing carbon pollution. An emissions trading scheme is the central feature of the Waxman-Markey bill. Mr Turnbull, the Leader of the Opposition, ignores the fact that the government designed the CPRS not only for Australia’s specific circumstances but also to link with schemes internationally, including in the United States. The government has been actively engaged with the current US administration on these issues and is conversant with the Waxman-Markey bill. There are a lot of commonalities between the two proposed schemes, especially the market based approach to setting a carbon price.

But to address briefly the claims made by the opposition I would like to speak to some of the specific issues that have been raised in regard to the US Waxman-Markey bill. Firstly, it has been asserted that the proposed Waxman-Markey bill provides greater assistance to emissions-intensive trade-exposed—EITE—industries than Australia’s proposed CRPS does. After listening to some of the speakers from the opposition in this debate, this appears to be the central argument that
the coalition has put forward for delay. The fact is, however, that the Waxman-Markey bill does not guarantee 100 per cent assistance to industries at risk of carbon leakage, as has been asserted by the member for Wentworth. The share of free permits to US EITE industries is fixed at 15 per cent in 2014, and the number of permits available to assist these industries then declines with the cap on emissions. This means that in any year if the calculated allocations to US EITEs are greater than the number of permits that have been set aside for them the allocations will be reduced accordingly. In addition, if emissions from US EITE industries expand on account of these sectors growing, and the overall cap on emissions falls, the effective rates of assistance to these industries will also decline.

To illustrate this further on this important point, the Waxman-Markey bill has committed to reduce the national cap on emissions in the US by around two per cent in the first few years of the scheme rising to around 3½ per cent per year by 2025. If emissions from EITE industries were initially around the 15 per cent cap and they grew at two per cent a year, then the rates of assistance being provided to EITE industries per unit of output would fall by four per cent in the early years of the scheme rising to 5½ per cent per year in around 2025. These features are far from a guarantee of 100 per cent assistance, as has been asserted by the Leader of the Opposition. US firms will have no certainty over exactly how much assistance they will receive at any point in the future. It will depend on a range of factors beyond their control, such as the growth in EITE industries generally and the overall level of EITE emissions at any time.

In contrast, the government’s approach under the CPRS provides more certainty to industry. It sets out the level of assistance per unit of output that will be provided in each and every year going forward, and there is no upper limit on the share of free permits being provided to EITE industries. Moreover, the thresholds for assistance in Waxman-Markey are generally higher than those in Australian policy. This means that assistance in the US will be concentrated on a narrower range of eligible industries. It is also true to say that Australian workers under the CPRS will have a more secure safety net for any changes in the structure of the economy than that proposed for US workers under the Waxman-Markey bill. On this point, an issue raised by the Leader of the Opposition, apart from the greater certainty provided by our EITE assistance or our workplace safety net, the government has also set aside through the Climate Change Action Fund $2.75 billion to assist in smoothing the transition for business, community organisations, workers, regions and communities.

Rather than showing Australia is going it alone, these recent developments in the US show Australia is firmly in a leading group of countries committed to finding a solution to the problem of climate change, with broadly similar approaches being adopted to address the risk of carbon leakage. The fact is that the coalition’s argument does not stand up to scrutiny. It is an excuse for delay—an excuse relied upon because of the disunity of the coalition. If the coalition had serious concerns about carbon leakage, it would have put forward serious policy responses by now. But there are none. It is time that the coalition got serious about these issues. If the coalition has a problem with the level of industry assistance, it should state what it is and propose policy responses.

I would also like to address the claim that has been made by the opposition that delay is justified to allow consideration of the regulations which will detail the government’s proposed industry assistance measures. Firstly, the government has been clear on its policy
on industry assistance. We have articulated it publicly. The CPRS white paper also provided considerable detail on the assistance that would be provided to EITE sectors upon introduction of the scheme and allowed for extensive consultation with business. Also, the government always intended releasing draft EITE regulations in time for the Senate deliberations on the CPRS Bill in the near future, and this remains the government’s intention. This is an earlier release of draft regulations than usually takes place. It is highly unusual to provide draft regulations before the primary bill has been passed. Further, it would be inappropriate to include the details of the EITE assistance program in the bill as it is important that the details of the assistance program can be amended over time to allow the inclusion of additional activities if required.

I would also note that, under the Waxman-Markey proposal, it is not proposed that details relating to the allocative baselines for EITE industries be listed in the bill; the US regulator will have up until 30 June 2011 to publish those details. In contrast, the CPRS Bill commits the minister to having the EITE regulations made by 30 June 2010. The contention by the coalition that a delay is justified by the availability of regulations is transparent nonsense.

I would also like to address the proposal advocated by the opposition that delay is necessary to allow the Productivity Commission to review the CPRS. This remarkable proposition ignores the fact that the Productivity Commission has already considered the issue of an Australian emissions trading scheme and specific aspects of the government’s CPRS. There is absolutely no policy rationale at all for having the Productivity Commission undertake yet another review. For the benefit of those opposite, I would like to highlight some of the commission’s findings on these issues. Had the coalition considered these findings, it may not have thought a reference to the Productivity Commission such a good idea, for the findings completely contradict the coalition’s apparent policy positions. In one of its reports in relation to emissions trading, the commission stated the following:

In addition, it may be appropriate to introduce special arrangements for reducing negative effects on the competitiveness of energy-intensive industries (such as free permit allocation under an emissions trading scheme). The arrangement should not, however, completely shield firms or their customers from cost increases. That is, the Productivity Commission does not support the 100 per cent levels of assistance apparently advocated by the coalition. If the coalition thought that the Productivity Commission would deliver some justification for greater industry assistance, it was clearly mistaken.

The opposition has also posited biochar as a potential panacea for many of our carbon emissions. Put quite simply, the science on biochar is still not clear and it will certainly not at this stage deliver the results that the coalition has been suggesting. The government is taking the sensible view and funding research to further develop the science on biochar. If substantial sequestration of carbon becomes viable it will be pursued, but it is no substitute for the pricing of carbon in the economy through the CPRS. It is also important to note that, due to the lack of science, biochar would not be counted towards meeting our international commitments at this stage, and that means that it would have no effect in helping us achieve our targets. If the opposition’s estimates of soil carbon and biochar offsets of 100 tonnes were realised and used in the CPRS, this would translate into a $2 billion to $3 billion liability for taxpayers, who would need to fund the purchase of internationally recognised units to make up the resulting shortfall in our target.
On this point the Productivity Commission has said the following:

There would be little point, for example, in pursuing costly measures to increase carbon stored in soil (which results in less carbon dioxide in the atmosphere) if this did not count toward meeting commitments.

It stated that abatement activities should focus on emissions reductions that would count towards meeting internationally negotiated targets. Again, this is a view which directly contradicts that of the coalition, and yet the coalition wants to delay voting on these bills to allow the Productivity Commission to review the bills. I think the evidence here is that Mr Turnbull, the Leader of the Opposition, simply has not done the homework.

Before I conclude, I would like to also comment on some of the reports and statistics that were used by members opposite during the debate. While the government is always open to consideration of any information provided to us on the impact of the CPRS, the reports used by those opposite to justify their scare campaign on jobs appear to follow a familiar pattern: they have normally been funded by opponents of the scheme, they rest on unclear, or certainly not transparent, assumptions and they fail to take into account the significant industry assistance that has been outlined by the government. I want to be clear about why the government has every faith in the Treasury modelling that has underpinned the design of the scheme. This was the most comprehensive economic modelling exercise undertaken in Australia. The key findings were that under the CPRS, from an employment perspective, output from all major sectors will grow over the years to 2020, delivering substantial increases in national employment from today’s levels. It also found that the assistance proposed by the government would ease the transition to a low-emissions economy for emissions-intensive trade-exposed sectors while maintaining incentives for emissions reductions. It is important to distinguish, therefore, between the Treasury modelling and reports prepared for lobbying and political purposes.

In conclusion, it is clear that the coalition is too divided to articulate a coherent policy on what is the most important environmental and economic reform ever proposed in this country. The coalition’s arguments are fallacious. They have been constructed to disguise their division and disarray. Mr Turnbull, the Leader of the Opposition, supports emissions trading, but he is surrounded by sceptics, by agnostics and by Wilson Tuckey—in a category all of his own, although I think generational renewal is evidenced by Senator Joyce’s contribution to this debate!

Every time the Liberals have promised to announce a policy, they have found an excuse for delay. We have had more than a decade of reports, analyses, inquiries and debates. The time has come for action on climate change—action that will reduce greenhouse gas pollution and provide the certainty that business needs to invest. It is clear that the business community wants to see the CPRS pass for reasons of business certainty. It is clear that the Australian community wants to see the CPRS pass so that action can be taken to combat climate change. The government remains determined to take this strong action, and I encourage non-government members to support these bills for the good of the environment and the economy.

Question put:

That the words proposed to be omitted (Mr Turnbull’s amendment) stand part of the question.
The House divided.  [9.27 am]
(The Speaker—Mr Harry Jenkins)

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AYES

Question agreed to.

Original question put:

That this bill be now read a second time.

The House divided.  [9.32 am]
(The Speaker—Mr Harry Jenkins)

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AYES
Dreyfus, M.A.
Ellis, A.L.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Georganas, S.
Gibbons, S.W.
Gray, G.
Griffin, A.P.
Hall, J.G. *
Irwin, J.
King, C.F.
Marles, R.D.
McKew, M.
Melham, D.
Neal, B.J.
O’Connor, B.P.
Owens, J.
Perrett, G.D.
Price, L.R.S.
Rea, K.M.
Rishworth, A.L.
Rudd, K.M.
Sidebottom, S.
Sullivan, J.
Symon, M.
Thomson, C.
Trevor, C.
Vanvakinou, M.
Elliot, J.
Emerson, C.A.
Ferguson, M.J.
Garrett, P.
George, J.
Gillard, J.E.
Grierson, S.J.
Hale, D.F.
Hayes, C.P. *
Kelly, M.J.
Livermore, K.F.
McClelland, R.B.
McMullan, R.F.
Murphy, J.
Neumann, S.K.
Oakeshott, R.J.M.
Parke, M.
Plibersek, T.
Raguse, B.B.
Ripoll, B.F.
Roxon, N.L.
Saffen, J.A.
Snowdon, W.E.
Swan, W.M.
Tanner, L.
Thomson, K.J.
Turnour, J.P.
Zappia, A.

Robb, A.
Ruddock, P.M.
Scott, B.C.
Simpkins, L.
Smith, A.D.H.
Southcott, A.J.
Truss, W.E.
Turnbull, M.
Washer, M.J.
Wood, J.

* denotes teller

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 OAKESHOTT (Lyne) (9.34 am)—by leave—I move amendments (1) to (19) as circulated in my name:

(1) Clause 2, page 2 (line 2), omit ‘Australian’, substitute ‘Independent’

(2) Clause 4, page 4 (line 7), omit ‘Australian’, substitute ‘Independent’

(3) Clause 5, page 7 (line 9), omit ‘Australian’, substitute ‘Independent’

(4) Part 2, page 32 (line 1) to page 37 (line 9), omit the Part, substitute:

Part 2—National scheme cap

13 National scheme cap

(1) For each financial year beginning on or after 1 July 2011, the Authority is to determine a national scheme cap, being a quantity of greenhouse gas that has a carbon dioxide equivalence of a specified number of tonnes.

(2) That number is the national scheme cap number for that eligible financial year.

(3) The Authority must declare the national scheme cap number for an eligible financial year before the start of that year.
(4) The Authority must issue projected national scheme cap numbers for an eligible financial year:
(a) for the financial years beginning on 1 July 2011 to 1 July 2015, by 1 July 2010; and
(b) in all other cases, at least five years before the start of that year.

(5) In setting the national scheme cap number, the Authority must base its decision on the wider public interest, taking into account the following:
(a) short and long term economic considerations; and
(b) short and long term environmental considerations; and
(c) Australia’s international obligations; and
(d) carbon emissions and the national scheme cap number in the period prior to the eligible financial year in question; and
(e) any other matter that the Authority considers relevant.

(6) The Authority must give reasons for its decisions under this section.

(7) The Authority must publish quarterly assessments and reports of its activities under this section.

(8) Clause 89, page 133 (line 15 to 16), omit the paragraph.

(9) Clause 89, page 133 (line 17 to 18), omit the paragraph.

(10) Clause 89, page 133 (line 24) to page 132 (line 2), omit the subsection, insert:
(1) For each of the eligible financial years beginning on 1 July 2011 to 1 July 2015, the Authority is to set a fixed charge per unit.

(11) Clause 89, page 136 (line 13 to 14), omit the subsection.

(12) Clause 101, page 140 (lines 24 and 25), omit the subparagraph.

(13) Clause 101, page 140 (lines 26 and 27), omit the subparagraph.

(14) Clause 101, page 141 (lines 5 and 6), omit the paragraph.

(15) Part 8, page 203 (line 1) to page 211 (line 27), omit the Part.

(16) Part 9, page 212 (line 1) to page 239 (line 32), omit the Part.


(18) Part 12, after Division 7, page 334, after line 12, insert:
Division 8—Publication of information quarterly
278H Publication of information quarterly
As soon as possible after the end of each quarter, the Authority must pub-
lish on its website a statement, in the form specified in the regulations:

(a) consolidating or providing links to information published during the quarter in accordance with the provisions of Divisions 2, 3, 4, 5, 6 or 7; and

(b) providing such additional information as the Authority considers useful or relevant in relation to pollution caused by emissions of carbon dioxide and other greenhouse gases.

(19) Clause 360, page 411 (after line 6), at the end of paragraph (2)(k), insert:

(2A) A person is not eligible for appointment as an expert advisory committee member unless the Minister has consulted the leader of each recognised political party in the Parliament on the individual’s proposed appointment and given each leader at least 30 days in which to respond.

When I first came into this place I said in my first speech that my role was to work in the best interests of the community, to work in the best interests of this nation and, where appropriate, to engage and work in the best interests of any international agreements. This is one such moment. What I did not say was that my role was to dumb down legislation, deliver policy that is a flat pancake and engage in the pragmatism of trying to get legislation through this place through deals with business, through deals with the Senate and at the expense of getting the best possible pure policy outcome that all of us in this place should deliver.

I do think this legislation has got down to that question of purity versus pragmatism. In conversations about the amendments last night, the government appreciated that the amendments do have an element of purity and that an ideal option is to remove a lot of the discretionary ministerial powers in the future; it is to allow the science to rise out of the political mosh pit that this legislation seems to have got stuck in over the last 12 months. If this is not about the science, then I ask everyone in this place: what is it about? Endorsing the words of the Leader of the Opposition two nights ago, this has to be about the science and the economy, not about the politics. That is why I think these amendments are important. They improve the legislation that I hope it is noted I just voted for. I voted for the legislation based not on its current form but, to pinch a line from a president, on the hopes and the dreams of what this legislation might become.

The amendment deals with some of those issues that are causing angst in the community, that are causing division in the parliament and the community—the manipulation of targets for political purposes and the manipulation of a whole range of market elements of a market based solution, such as the issuing of free permits and fixed pricing for 12 months. These are all political decisions that have been made in an effort to try in a pragmatic way to get this legislation through the parliament.

It is not my role to endorse a flat pancake. It is my role to try and prick the consciences of government and of every single member of this parliament to affirm that our role is to get the best policy outcome that we can deliver for the community. The best policy outcome for the long term is something that survives the political cycles. No matter who ends up in the chair of Prime Minister or a minister or in the executive, if we are serious we need to build something that has security of tenure.

I think there is enormous disappointment about the way the politics of division is being played with this issue. The language in the debates of the last 24 or 48 hours have all been about one side trying to kick the stuffing out of the other. One side is calling the
other group ‘the job destroyers’, and then the other group is calling them ‘the climate change sceptics’. None of that is true—there are elements of truth, but none of it is generally true. I would hope that, if we are serious about our roles as members of parliament above and beyond roles within political parties, we would see this as a significant moment and as significant legislation and as a responsibility to deliver the best possible outcome for the community.

The amendment moved taps into the common sentiment that an emissions trading scheme is common sense. We have heard the Leader of the Opposition make that comment himself. There is unity on that issue. It does, hopefully, raise the question of whether a market based response to this environmental and economic question is the right way forward. The scheme itself has underlying principles that are market based. I would be incredibly surprised therefore if, when we drill down into the detail of any coalition or opposition ETS that they have flagged as something that is going to happen in the future, it would be any different to a market based response. Therefore the points of difference—the targets, the permits and the fixed pricing—need to be moved to an independent authority.

Mr ROBB (Goldstein) (9.39 am)—On the amendments, this is the biggest deliberate structural change, possibly in our history, that we are considering in this House today. There is no doubt, as many of the speakers on our side have suggested and have indicated, the Carbon Pollution Reduction Scheme Bill 2009 has been rushed and is ill considered. It has been very much driven by a political agenda, not an environmental agenda. In the limited time available to consider the amendments by the member for Lyne I think they ultimately, in the design of any scheme, would warrant some serious consideration. I think there are issues there:

the setting of caps by some independent authority warrants serious consideration—as suggested, something along the lines of the Reserve Bank with interest rates—and the pros and cons warrant proper consideration.

Given that the government has today rejected outright our very common-sense proposal to defer the vote on this bill until such time as we see what the world decides in Copenhagen, just a matter of months away, until such time as we see what the United States does in the finalising of their bill—and bear in mind, being the biggest emitter in the world, they will set the framework, if you like, for the approach of so many developed countries at least and the developing countries—given that there is serious work that has not been done but could be done, should be done and can be done before the Copenhagen meeting, which could also play a part, including things such as the amendments that have been moved by the member for Lyne, it is not our intention to consider myriad technical amendments either by the government or by independent members.

We will ask the government again in the other house to very seriously consider deferring the vote until the new year, when we will have the benefit of knowing so much that is going to happen internationally over the next few months. In that sense and for those reasons we will not be supporting these amendments on this occasion.

Mr WINDSOR (New England) (9.42 am)—I formally second the amendments as proposed by the member for Lyne. I listened with interest to the member for Goldstein. I opposed the legislation on the grounds of the five per cent target it sets. That is the only fixed thing in this legislation. I know there are arrangements, given global changes, to move to 25 per cent, but the only ‘known’ in this legislation is a five per cent target.
My opposition to the Carbon Pollution Reduction Scheme Bill 2009 is based on the fact that we are going to apply a market mechanism and virtually rearrange the whole Australian economy for a five per cent gain. I think that not only is against what the government stood for some time ago; it is against any common sense in relation to this particular issue. This is a very important issue. I agree with the parliamentary secretary when he said at the very start of today’s proceedings that the government accepts climate science. I am not a climate sceptic; I accept climate science. In fact I have had a private member’s bill before the parliament for some months now that has not been fully debated. To come into this place with a piece of legislation with a target of five per cent and use a market mechanism to achieve that target, in my view, is quite ridiculous. There are a whole range of other things outside the market mechanisms that could achieve that five per cent.

We have heard the parliamentary secretary talk about biochar and soil sequestration this morning. There are a whole range of domestic, personal and business related activities that can reduce emissions, whether they be carbon dioxide, nitrous oxide or methane. There are a whole range of available technologies out there now that can achieve that five per cent and more without going through this convoluted process—and a corrupted process, in my view, from what the original Garnaut report actually set out to achieve. We can achieve this without going through all those processes.

So, even though I am opposing the bill, I am doing so for different reasons to the opposition. I did support the deferral because I think, if five per cent is all this legislation is going for, it will achieve nothing. It probably will not—and neither should it—get through the Senate, so the extension of that logic is that it will be deferred one way or the other, and maybe we will revisit this issue with more common sense in terms of targets instead of this rather ridiculous five per cent. But I do formally second the member for Lyne’s amendments.

The SPEAKER—I indicate to the member for New England that, in accordance with standing order 151, a detailed amendment does not require a seconder. It would seem to me to be a powerful tool for individual members, especially Independents.

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (9.46 am)—I thank the member for Lyne and the member for New England for their contributions in moving and seconding the proposed amendments. They are directed, as we have heard, towards giving the power to set scheme caps under the CPRS to the Climate Change Regulatory Authority.

Reference has been made to a number of the other measures that can be taken to address carbon pollution, and I just remind the member for New England, respectfully, that the government is pursuing many other initiatives, including supporting research into biochar, as I mentioned earlier. There is also significant financial support for the improvement of energy efficiency throughout our economy, support for greater fuel efficiency in motor vehicle manufacturing in this country and large investments to support solar technology. We will be pursuing our commitment to improvements in renewable energy, taking the target for renewable energy’s share of the national electricity supply to 20 per cent by the year 2020. That is expected to unleash $19 billion worth of investment in renewable energy research, development and commercialisation of technology. The government have also committed considerable funds towards endeavours to ensure that carbon capture and storage can be proven as a technology on a large scale.
and be commercialised. So quite a lot of measures have been taken.

I recognise the laudable intention behind the amendments moved by the member for Lyne and welcome the member’s recognition, too, of the serious challenge that climate change presents. The government decided, though, in the white paper that scheme caps and gateways should be set in regulations and therefore be subject to parliamentary scrutiny. The government took the decision on the basis that the scheme caps and gateways have potentially significant implications for the national economy. In the interests of accountability, elected representatives, in our view, rather than an independent regulator, as is proposed, should make the decisions about scheme caps and gateways. I note, though, that the CPRS Bill requires that when scheme cap regulations are tabled before the parliament the minister must, as soon as practicable, table a written statement setting out the minister’s reasons for making the recommendation to the Governor-General about those regulations. That is contained in part 2, clause 14(7) of the bill.

For those reasons, the government cannot accept the amendments moved by the member for Lyne. But I would like to thank the member for having the strength to move amendments like these, which are a constructive proposal and contribution to the debate—unlike, I might observe, the amendment moved by the Leader of the Opposition in the second reading debate.

The SPEAKER—The question is that the amendments be agreed to.

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

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

Question negatived, Mr Oakeshott, Mr Windsor and Mr Katter voting yes.

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (9.54 am)—by leave—I present a supplementary explanatory memorandum and move government amendments (1) to (144):

(1) Clause 5, page 8 (line 1), omit the definition of carbon sequestration right, substitute:

<table>
<thead>
<tr>
<th>carbon sequestration right:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) when used in relation to a reforestation project—has the meaning given by section 239A; or</td>
</tr>
<tr>
<td>(b) when used in relation to an area of land—has the meaning given by section 240.</td>
</tr>
</tbody>
</table>

(2) Clause 5, page 9 (after line 21), after the definition of controlling corporation, insert:

<table>
<thead>
<tr>
<th>control: a person has control of a reforestation project if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) the person is the holder of the forestry right in relation to the project area or each of the project areas; or</td>
</tr>
<tr>
<td>(b) under a contract, or an arrangement, of a kind specified in the regulations, the person is entitled or required to establish, manage and maintain:</td>
</tr>
<tr>
<td>(i) a forest on the project area; or</td>
</tr>
<tr>
<td>(ii) a forest on each of the project areas.</td>
</tr>
</tbody>
</table>

(3) Clause 5, page 11 (after line 1), after the definition of eligible financial year, insert:

| eligible interest, in relation to an area of land, has the meaning given by section 241A or 241B. |

(4) Clause 5, page 14 (after line 27), after the definition of foreign person, insert:

| forest maintenance obligation has the meaning given by section 226. |
| forest restoration order means an order under section 226C. |
(5) Clause 5, page 15 (after line 15), at the end of the definition of forest stand, add:

The regulations may provide that, for the purposes of this definition, trees and crown cover have the respective meanings given by the regulations.

(6) Clause 5, page 21 (after line 21), after the definition of penalty unit, insert:

permitted forest activity has the meaning given by section 226.

(7) Clause 5, page 22 (after line 8), after the definition of premises, insert:

prescribed non-CPRS reforestation scheme has the meaning given by the regulations.

(8) Clause 5, page 22 (after line 28), after the definition of project area, insert:

project manager, in relation to a reforestation project, has the meaning given by section 197A.

(9) Clause 5, page 24 (lines 27 and 28), omit the definition of relinquishment obligation transfer agreement.

(10) Clause 5, page 25 (after line 12), after the definition of scheme, insert:

scheme obligation transfer agreement has the meaning given by section 197B.

(11) Clause 5, page 26 (lines 23 and 24), omit the definition of transferee, substitute:

transferee, in relation to a scheme obligation transfer agreement, has the meaning given by section 197B.

(12) Clause 35, page 84 (after line 8), after paragraph (1)(c), insert:

(c) the supply mentioned in paragraph (a) was not into a prescribed wholesale gas market; and

(13) Clause 49, page 94 (line 1), omit “Authority.”, substitute “Authority; and”.

(14) Clause 49, page 94 (after line 1), at the end of subclause (5), add:

(c) if the person has an ABN—the person’s ABN.

(15) Clause 79, page 124 (after line 28), after subparagraph (2)(b)(i), insert:

(ia) if a controlling corporation of a group consented under subsection 74(3) to the making of the application for the certificate—the person is not a member of the group; or

(16) Page 155 (after line 21), after clause 116B, insert:

116BA Equitable interests in relation to a Kyoto unit

(1) This Act does not affect:

(a) the creation of; or
(b) any dealings with; or
(c) the enforcement of;

equitable interests in relation to a Kyoto unit.

(2) Subsection (1) is enacted for the avoidance of doubt.

(17) Page 162 (after line 2), after clause 122A, insert:

122AA Equitable interests in relation to a non-Kyoto international emissions unit

(1) This Act does not affect:

(a) the creation of; or
(b) any dealings with; or
(c) the enforcement of;

equitable interests in relation to a non-Kyoto international emissions unit.

(2) Subsection (1) is enacted for the avoidance of doubt.

(18) Clause 129, page 171 (after line 3), after subclause (5), insert:

(5AA) An Australian emissions unit must not be surrendered in relation to the eligible financial year beginning on 1 July 2011 unless the unit has a vintage year of that eligible financial year.

(19) Heading to subclause 143(3), page 184 (line 29), omit “Free”.

(20) Clause 143, page 184 (line 33), omit “free”.

CHAMBER
(21) Clause 146, page 190 (lines 10 to 11), omit subclause (5).

(22) Clause 173B, page 211 (after line 8), after paragraph (1)(a), insert:
(a) the corporation is capable of complying with the request; and

(23) Clause 173B, page 211 (line 9), omit “request.”, substitute “request; and”.

(24) Clause 173B, page 211 (after line 9), at the end of subclause (1), add:
(c) the Minister notifies the Authority, in writing, that the Minister considers that the non-compliance is significant.

(25) Clause 190, page 240 (line 16), omit “holder”; substitute “project manager (who may be the holder)”.

(26) Clause 190, page 240 (lines 25 and 26), omit “on the holder of the forestry right”.

(27) Clause 192, page 243 (lines 3 to 11), omit subclause (1), substitute:

(1) If:
(a) a person gives a reforestation report to the Authority; and
(b) the reforestation report is in respect of an eligible reforestation project for a reforestation reporting period; the person may apply to the Authority for the issue to:
(c) if the person holds the carbon sequestration right in relation to the project—the person;
(d) otherwise—the person who holds the carbon sequestration right in relation to the project;
(price of a certificate of reforestation in respect of the project for the period.

Note 1: For reforestation report, see section 225.
Note 2: For eligible reforestation project, see section 209.
Note 3: For reforestation reporting period, see section 223 or 224.
Note 4: For carbon sequestration right, see section 239A.

(28) Clause 193, page 243 (line 18), before “An”, insert “(1)”.

(29) Clause 193, page 243 (line 20), omit “Authority.”, substitute “Authority; and”.

(30) Clause 193, page 243 (after line 20), after paragraph (b), insert:
(c) be accompanied by the fee (if any) specified in the regulations.

(31) Clause 193, page 243 (before line 21), at the end of the clause, add:
(2) A fee specified under paragraph (1)(c) must not be such as to amount to taxation.

(32) Clause 195, page 244 (line 8), omit “the Authority is satisfied that”.

(33) Clause 195, page 244 (lines 10 and 11), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(34) Clause 195, page 244 (after line 23), after paragraph (2)(f), insert:
(fa) the number that, under the regulations, is taken to be the carbon stock number for the project is greater than the number that, under the regulations, is taken to be the 2008 carbon stock number for the project; and

(35) Clause 195, page 244 (line 30), omit “Note 1”, substitute “Note 2”.

(36) Clause 195, page 244 (line 31), omit note 2.

(37) Clause 195, page 245 (after line 9), after subclause (3), insert:
(3A) For the purposes of subsection (3), if:
(a) a forest stand is situated wholly or partly on Torrens system land; and
(b) the Authority is not satisfied that appropriate entries or notations have been made under section 236 in relation to the land by the relevant land registration official referred to in that section; disregard the forest stand.

(38) Clause 195, page 245 (after line 23), after subclause (6), insert:
Copy of certificate to be given to project manager if project manager does not hold the carbon sequestration right

(6A) If:
   (a) the Authority issues a certificate of reforestation to the person who holds the carbon sequestration right in relation to the project; and
   (b) that person is not the project manager for the project;
   the Authority must give a copy of the certificate to the project manager for the project.

(39) Clause 195, page 246 (lines 1 to 5), omit subclause (8).

(40) Clause 196, page 247 (after line 2), after subclause (3), insert:

(3A) For the purposes of subsection (2), if:
   (a) a forest stand became part of an eligible reforestation project as the result of a variation of a section 209 declaration; and
   (b) the variation took effect after the day the section 209 declaration took effect;
   then, for the purposes of the application of that subsection to the eligible reforestation project, disregard anything that occurred in relation to the forest stand before the day on which the variation took effect.

(41) Clause 196, page 247 (lines 3 to 6), omit subclause (4).

(42) Page 247 (after line 8), after Division 3, insert:

Division 3A—Project managers

197A Project manager for a reforestation project

(1) For the purposes of this Act, the project manager for a reforestation project is:
   (a) if a scheme obligation transfer agreement is in force in relation to the project—the person who, under that agreement, accepts responsibility for complying with any requirements that may be imposed by or under this Act or the associated provisions on the person in the person’s capacity as project manager for the project; or
   (b) otherwise—the person who holds the carbon sequestration right in relation to the project.

(2) To avoid doubt, the continuity of a person’s status as the project manager for a reforestation project is not affected by:
   (a) a transfer of the carbon sequestration right in relation to the project; or
   (b) if the project is an eligible reforestation project—the variation of the section 209 declaration of the eligible reforestation project.

(3) To avoid doubt, if:
   (a) a person becomes subject to a requirement to relinquish Australian emissions units in the person’s capacity as project manager for an eligible reforestation project;
   (b) before that requirement was met, the person ceased to be the project manager for the project;
   the cessation does not affect the continuity of the requirement.

197B Scheme obligation transfer agreement

(1) For the purposes of this Act, a scheme obligation transfer agreement in relation to a reforestation project is an agreement, where:
   (a) the agreement is between:
      (i) the person who, immediately before the agreement was entered into, was the project manager for the project; and
      (ii) another person (the transferee); and
   (b) the agreement states that the transferee accepts responsibility for complying with any requirements that may be imposed by or under
this Act or the associated provisions on the transferee's capacity as project manager for the project; and

c) the Authority has given written approval to the agreement; and

d) if the Authority, in accordance with the regulations, requires the transferee to give security to the Commonwealth in relation to the fulfilment by the transferee of any requirements to relinquish Australian emissions units that may be imposed on the transferee under this Part in relation to the project—the transferee has given that security; and

e) the holder of the carbon sequestration right in relation to the project:

(i) has consented, in writing, to the making of the agreement; or

(ii) is a party to the agreement; and

f) such other conditions (if any) as are specified in the regulations are satisfied.

Criteria for approval of agreement

(2) The Authority must not, under paragraph (1)(c), give approval to an agreement that relates to a reforestation project unless:

(a) the transferee is a recognised reforestation entity; and

(b) if the transferee neither holds, nor is likely to hold, the carbon sequestration right in relation to the project:

(i) the transferee is not an individual; and

(ii) the Authority is satisfied that the transferee has, or is likely to have, control of the project; and

(c) the Authority is satisfied that the transferee has, and is likely to continue to have:

(i) the capacity; and

(ii) the financial resources; necessary for the transferee to comply with any requirements that may be imposed by or under this Act or the associated provisions on the transferee's capacity as project manager for the project; and

d) if:

(i) the project is or was an eligible reforestation project; and

(ii) a notice was given under section 232 or 233 in relation to the reforestation project; and

(iii) the notice required a person to relinquish a particular number of Australian emissions units; and

(iv) the person did not comply with the requirement within 90 days after the notice was given; the penalty payable under section 287 in respect of the non-compliance with the requirement (including any late payment penalty payable under section 288 in relation to the section 287 penalty) has been paid in full.

Duration of agreement

(3) A scheme obligation transfer agreement:

(a) comes into force:

(i) at the time when the agreement is approved by the Authority under paragraph (1)(c); or

(ii) at such later time as is specified by the Authority in the instrument of approval; and

(b) remains in force until whichever of the following happens first:

(i) the agreement is cancelled under section 197C;

(ii) another scheme obligation transfer agreement comes into force, and the other agreement is expressed to replace the first-mentioned agreement; and

(iii) the transferee ceases to exist.

(4) To avoid doubt, if:
(a) a scheme obligation transfer agreement is in force in relation to a reforestation project; and

(b) the carbon sequestration right in relation to the project is transferred; the transfer does not affect the continuity of the agreement.

(5) To avoid doubt, if:

(a) a scheme obligation transfer agreement is in force in relation to an eligible reforestation project; and

(b) the relevant section 209 declaration is varied;

the variation does not affect the continuity of the agreement.

Agreement is not a legislative instrument

(6) A scheme obligation transfer agreement is not a legislative instrument.

197C Holder of carbon sequestration right may elect to assume scheme obligations

If:

(a) a scheme obligation transfer agreement is in force in relation to an eligible reforestation project; and

(b) the person who holds the carbon sequestration right in relation to the project is a recognised reforestation entity;

then:

(c) the holder may, by written notice given to the Authority, elect to accept responsibility for complying with any requirements that may be imposed by or under this Act or the associated provisions on the holder in the holder’s capacity as project manager for the project; and

(d) if the holder does so—the agreement is cancelled.

(43) Clause 209, page 256 (lines 1 to 3), omit paragraph (4)(b).

(44) Clause 209, page 256 (line 4), omit “applicant”, substitute “project manager for the project”.

(45) Clause 209, page 256 (lines 5 and 6), omit paragraph (4)(d), substitute:

(d) the applicant is the project manager for the project; and

(da) a single person (who may be the applicant) holds the carbon sequestration right in relation to the project; and

(db) if the applicant does not hold the carbon sequestration right in relation to the project—the holder of the carbon sequestration right in relation to the project has consented, in writing, to the making of the application; and

(46) Clause 209, page 256 (lines 7 to 18), omit paragraph (4)(e), substitute:

(e) each of the following has consented, in writing, to the making of the application:

(i) each person (other than the applicant) who holds an eligible interest in the project area or any of the project areas;

(ii) a person specified in the regulations; and

(47) Clause 209, page 256 (after line 21), after subparagraph (4)(f)(i), insert:

(ia) the project area is not, or the project areas are not, Torrens system land; and

(48) Clause 209, page 256 (lines 26 and 27), omit subparagraph (4)(f)(iii), substitute:

(iii) the person identified in the application as the holder of the carbon sequestration right in relation to the project holds that right; and

(49) Clause 209, page 256 (line 36), omit “, or the project areas are,”.

(50) Clause 209, page 257 (line 2), omit “or project areas”.

(51) Clause 209, page 257 (line 3), omit “, or the project areas are not,”.
(52) Clause 209, page 257 (line 5), omit “, or the project areas are not.”.

(53) Clause 209, page 257 (after line 8), after subclause (5), insert:

(5A) A consent under paragraph (4)(e) must be in a form approved, in writing, by the Authority.

(54) Clause 209, page 257 (lines 29 to 32), omit subclause (9), substitute:

Notification of declaration

(9) As soon as practicable after making a declaration under subsection (2), the Authority must give a copy of the declaration to:

(a) the applicant; and
(b) if the applicant does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

(55) Clause 212, page 260 (lines 14 to 16), omit paragraph (3)(b).

(56) Clause 212, page 260 (line 17), omit “applicant”, substitute “project manager for the project”.

(57) Clause 212, page 260 (lines 18 and 19), omit paragraph (3)(d), substitute:

(d) the applicant is the project manager for the varied project; and
(da) a single person (who may be the applicant) holds the carbon sequestration right in relation to the varied project; and
(db) if the applicant does not hold the carbon sequestration right in relation to the varied project—the holder of the carbon sequestration right in relation to the varied project has consented, in writing, to the making of the application; and

(58) Clause 212, page 260 (lines 20 to 31), omit paragraph (3)(e), substitute:

(e) each of the following has consented, in writing, to the making of the application:

(i) each person (other than the applicant) who holds an eligible interest in the varied project area or any of the varied project areas;
(ii) a person specified in the regulations; and

(59) Clause 212, page 261 (after line 2), after subparagraph (3)(f)(i), insert:

(ia) the varied project area is not, or the varied project areas are not, Torrens system land; and

(60) Clause 212, page 261 (lines 7 and 8), omit subparagraph (3)(f)(iii), substitute:

(iii) the person identified in the application as the holder of the carbon sequestration right in relation to the varied project holds that right; and

(61) Clause 212, page 261 (line 17), omit “, or the varied project areas are,”.

(62) Clause 212, page 261 (line 20), omit “or varied project areas”.

(63) Clause 212, page 261 (lines 21 and 22), omit “, or the varied project areas are not.”.

(64) Clause 212, page 261 (lines 23 and 24), omit “, or the varied project areas are not.”.

(65) Clause 212, page 261 (after line 26), after subclause (4), insert:

(4A) A consent under paragraph (3)(e) must be in a form approved, in writing, by the Authority.

(66) Clause 212, page 262 (lines 1 to 3), omit subclause (6), substitute:

When a variation takes effect

(6) A variation under subsection (2) takes effect:

(a) immediately after it is made; or
(b) if:

(i) an earlier day is specified in the variation; and
(ii) the applicant has consented to the specification of the earlier day; and
(iii) the earlier day is the first day of a reforestation reporting period for the eligible reforestation project; on the day specified.

(6A) The specified day must not be a day that is earlier than the first day of the 5-year period ending when the application for the variation was made.

(67) Clause 212, page 262 (lines 4 to 7), omit subclause (7), substitute:

Notification of variation

(7) As soon as practicable after varying a declaration under subsection (2), the Authority must give a copy of the variation to:

(a) the applicant; and

(b) if the applicant does not hold the carbon sequestration right in relation to the varied project—the person who holds the carbon sequestration right in relation to the varied project.

(68) Heading to clause 213, page 262 (line 20), at the end of the heading, add “in a part of a project area”.

(69) Clause 213, page 263 (lines 5 to 8), omit subclause (3), substitute:

Notification of variation

(3) As soon as practicable after varying the declaration, the Authority must give a copy of the variation to:

(a) the project manager for the varied project; and

(b) if the project manager for the varied project does not hold the carbon sequestration right in relation to the varied project—the person who holds the carbon sequestration right in relation to the varied project.

(70) Page 263 (after line 14), after clause 213, insert:

213A Variation of declaration of eligible reforestation project that has 2 or more project areas—cessation of reforestation activity in the whole of a project area

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project; and

(b) the project has 2 or more project areas; and

(c) the whole of an area of land identified in the declaration as a project area has remained clear of a forest stand for a continuous period of at least 5 years that began at a time when the declaration was in force; and

(d) subsection 217(1) does not apply to the project.

Variation of declaration

(2) The Authority must, by writing, vary the declaration by excluding that area from the areas of land identified in the declaration as the project areas.

Notification of variation

(3) As soon as practicable after varying the declaration, the Authority must give a copy of the variation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

References to eligible reforestation project

(4) If a declaration of an eligible reforestation project is varied under this section, a reference in this Act to the eligible reforestation project is a reference to the eligible reforestation project as varied.

Variation is not legislative instrument

(5) A variation under subsection (2) is not a legislative instrument.

(71) Heading to clause 214, page 263 (line 16), at the end of the heading, add “in a part of a project area”.
(72) Clause 214, page 263 (line 27), omit “209(4)(g)”; substitute “209(4)(g); or”.

(73) Clause 214, page 263 (after line 27), at the end of paragraph (1)(b), add:

(iii) does not meet the requirements set out in subsection 209(5).

(74) Clause 214, page 264 (lines 19 to 22), omit subclause (5), substitute:

Notification of variation

(5) As soon as practicable after varying the declaration, the Authority must give a copy of the variation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

(75) Page 264 (after line 28), at the end of Subdivision C, add:

214A Variation of declaration of eligible reforestation project that has 2 or more project areas—eligibility requirements not met in the whole of a project area

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project; and

(b) the project has 2 or more project areas; and

(c) the Authority is satisfied that a project that is being, or is to be, carried out in a part of an area of land identified in the declaration as a project area:

(i) is not a reforestation project; or

(ii) does not meet any or all of the eligibility requirements specified in regulations made for the purposes of paragraph 209(4)(g); or

(iii) does not meet the requirements set out in subsection 209(5); and

(d) subsection 218(1) does not apply in relation to the project.

Variation of declaration

(2) The Authority must, by writing, vary the declaration by excluding that area from the areas of land identified in the declaration as the project areas.

Consultation

(3) Before varying the declaration, the Authority must give the project manager for the project a written notice:

(a) informing the project manager of the proposed variation; and

(b) inviting the project manager to make a submission to the Authority within 90 days after the notice was given, about the proposed variation.

(4) In deciding whether to vary the declaration, the Authority must have regard to:

(a) a submission made in response to an invitation under subsection (3); and

(b) such other matters (if any) as the Authority considers relevant.

Notification of variation

(5) As soon as practicable after varying the declaration, the Authority must give a copy of the variation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

References to eligible reforestation project

(6) If a declaration of an eligible reforestation project is varied under this section, a reference in this Act to the eligible reforestation project is a reference to the eligible reforestation project as varied.
Variation is not legislative instrument

(5) A variation under subsection (2) is not a legislative instrument.

(77) Page 264, after proposed clause 214B, insert:

214C Variation of declaration of eligible reforestation project that has 2 or more project areas—ceasing to hold carbon sequestration right in relation to the whole of a project area

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project; and

(b) the project has 2 or more project areas; and

(c) a person ceases to hold the carbon sequestration right in relation to the whole of an area of land identified in the declaration as a project area; and

(d) the person has not ceased to hold the carbon sequestration right in relation to any of the remaining areas of land.

Variation of declaration

(2) The Authority must, by writing, vary the declaration by excluding that area from the areas of land identified in the declaration as the project areas.

Notification of variation

(3) As soon as practicable after varying the declaration, the Authority must give a copy of the variation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

References to eligible reforestation project

(4) If a declaration of an eligible reforestation project is varied under this section, a reference in this Act to the eligible reforestation project is a reference to the eligible reforestation project as varied.
References to eligible reforestation project

(4) If a declaration of an eligible reforestation project is varied under this section, a reference in this Act to the eligible reforestation project is a reference to the eligible reforestation project as varied.

Variation is not legislative instrument

(5) A variation under subsection (2) is not a legislative instrument.

(78) Clause 215, page 265 (lines 11 and 12), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(79) Clause 215, page 265 (lines 26 to 29), omit subclause (4), substitute:

Notification of revocation

(4) As soon as practicable after revoking the declaration, the Authority must give a copy of the revocation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

(80) Clause 216, page 266 (lines 11 and 12), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(81) Clause 216, page 266 (lines 20 to 23), omit subclause (4), substitute:

Notification of revocation

(4) As soon as practicable after revoking the declaration, the Authority must give a copy of the revocation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

(82) Clause 217, page 267 (lines 21 to 24), omit subclause (3), substitute:

Notification of revocation

(3) As soon as practicable after revoking the declaration, the Authority must give a copy of the revocation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

(83) Clause 218, page 268 (line 13), omit “209(4)(g).”, substitute “209(4)(g); or”.

(84) Clause 218, page 268 (after line 13), at the end of paragraph (1)(b), add:

(iii) does not meet the requirements set out in subsection 209(5).

(85) Clause 218, page 269 (lines 1 to 4), omit subclause (5), substitute:

Notification of revocation

(5) As soon as practicable after revoking the declaration, the Authority must give a copy of the revocation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

(86) Page 269 (after line 6), after clause 218, insert:

218A Unilateral revocation of declaration of eligible reforestation project—project manager ceases to be a recognised reforestation entity

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project; and
(b) the project manager for the project ceases to be a recognised reforestation entity; and

c) if the project manager holds the carbon sequestration right in relation to the project—90 days pass after the cessation, and the person who, at the end of that 90-day period, is the project manager for the project is not a recognised reforestation entity; and

(d) if the project manager does not hold the carbon sequestration right in relation to the project—90 days pass after the Authority notifies the holder of the carbon sequestration right of the cessation, and the person who, at the end of that 90-day period, is the project manager for the project is not a recognised reforestation entity.

Revoke the declaration

(2) The Authority may, by writing, revoke the declaration.

Notification of revocation

(3) As soon as practicable after revoking the declaration, the Authority must give a copy of the revocation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right in relation to the project—the person who holds the carbon sequestration right in relation to the project.

Revoke is not legislative instrument

(4) A revocation under subsection (2) is not a legislative instrument.

(87) Clause 219, page 269 (after line 14), after paragraph (1)(b), insert:

(ba) immediately before the cessation, the person was the project manager for the project; and

(88) Clause 219, page 269 (lines 15 to 17), omit paragraph (1)(c), substitute:

(c) a scheme obligation transfer agreement was not in force in relation to the project within 90 days after the cessation occurred.

(89) Page 269 (after line 27), at the end of Division 5, add:

219A Unilateral revocation of declaration of eligible reforestation project—project manager ceases to have control of reforestation project

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project; and

(b) a scheme obligation transfer agreement is in force in relation to the project; and

(c) the project manager does not hold the carbon sequestration right in relation to the project; and

(d) the project manager for the project ceases to have control of the reforestation project; and

(e) 90 days pass after the Authority notifies the holder of the carbon sequestration right of the cessation, and the agreement is still in force.

Revoke the declaration

(2) The Authority must, by writing, revoke the declaration.

Notification of revocation

(3) As soon as practicable after revoking the declaration, the Authority must give a copy of the revocation to:

(a) the project manager for the project; and

(b) the person who holds the carbon sequestration right in relation to the project.

Revoke is not legislative instrument

(4) A revocation under subsection (2) is not a legislative instrument.
(90) Clause 220, page 270 (lines 19 and 20), omit “2008 carbon stock baseline number”, substitute “the 2008 carbon stock number”.

(91) Clause 220, page 270 (lines 21 to 23), omit subclause (4), substitute:

(4) A notice under subsection (2) must be accompanied by a statement setting out:

(a) the number that, under the regulations, is taken to be the projected net greenhouse gases removal number for the project; and

(b) the number that, under the regulations, is taken to be the non-CPRS greenhouse gases removal sales number for the project; and

(c) the number that, under the regulations, is taken to be the 2008 carbon stock number for the project.

(92) Clause 220, page 270 (line 27) to page 271 (line 2), omit subclause (6).

(93) Clause 221, page 271 (line 12), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(94) Clause 221, page 271 (lines 15 and 16), omit subclause (3), substitute:

(3) A notice under subsection (2) must be accompanied by a statement setting out:

(a) the number that, under the regulations, is taken to be the projected net greenhouse gases removal number for the project; and

(b) the number that, under the regulations, is taken to be the non-CPRS greenhouse gases removal sales number for the project; and

(c) the number that, under the regulations, is taken to be the 2008 carbon stock number for the project.

(95) Clause 222, page 272 (line 6), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(96) Clause 222, page 272 (lines 9 and 10), omit subclause (3), substitute:

(3) A notice under subsection (2) must be accompanied by a statement setting out:

(a) the number that, under the regulations, is taken to be the projected net greenhouse gases removal number for the project; and

(b) the number that, under the regulations, is taken to be the non-CPRS greenhouse gases removal sales number for the project; and

(c) the number that, under the regulations, is taken to be the 2008 carbon stock number for the project.

(97) Page 272 (after line 16), after Division 6, insert:

Division 6A—Restructure of reforestation projects

222A Restructure of reforestation projects—making of declaration relating to receiving project

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project (the original reforestation project); and

(b) a person ceases to hold the carbon sequestration right in relation to the whole or a part of an area of land identified in the declaration as a project area; and

(c) either:

(i) in a case where the person ceases to hold the carbon sequestration right in relation to a part of an area of land identified in the declaration as a project area—

the declaration is varied under section 214B by excluding that part from the area of land identified in the declaration as the relevant project area; or

(ii) in a case where the person ceases to hold the carbon sequestration right in relation to the whole of
an area of land identified in the declaration as a project area—the declaration is varied under section 214C by excluding that area from the areas of land identified in the declaration as the project areas; and

(d) within 90 days after the cessation:

(i) there is another reforestation project for which that area is a project area; and

(ii) a scheme obligation transfer agreement has come into force in relation to the other reforestation project; and

(e) the project manager for the other reforestation project makes an application under section 205 for the declaration of the other project as an eligible reforestation project; and

(f) after considering the application, the Authority makes a declaration under subsection 209(2) that the other reforestation project is an eligible reforestation project for the purposes of this Act.

Determination in relation to the other reforestation project

(2) As soon as practicable after making the declaration mentioned in paragraph (1)(f), the Authority must, by written notice given to the applicant for the declaration, determine that:

(a) whenever it is necessary to calculate an amount in relation to the other reforestation project using the formula in subsection 195(3), that subsection has effect, in relation to the other reforestation project, as if the net total number of tonnes of greenhouse gases removed were increased by the number specified in the determination; and

(c) whenever it is necessary to work out the net total number of Australian emissions units issued in relation to the other reforestation project, this Part has effect, in relation to the other reforestation project, as if the net total number of Australian emissions units issued in relation to the project in accordance with this Part were increased by the number specified in the determination.

(3) In making a determination under subsection (2), the Authority must comply with the regulations.

Determination relating to original reforestation project

(4) As soon as practicable after making the declaration mentioned in paragraph (1)(f), the Authority must, by written notice given to the project manager for the original reforestation project, determine that:

(a) whenever it is necessary to calculate an amount in relation to the original reforestation project using the formula in subsection 195(3), that subsection has effect, in relation to the original reforestation project, as if the net total number of tonnes of greenhouse gases removed were decreased by the number specified in the determination; and

(b) whenever it is necessary to calculate an amount in relation to the original reforestation project using the formula in subsection 196(2), that subsection has effect, in relation to the original reforestation project, as if the net total number of tonnes of greenhouse gases removed were decreased by the number specified in the determination; and
(c) whenever it is necessary to work out the net total number of Australian emissions units issued in relation to the original reforestation project, this Part has effect, in relation to the original reforestation project, as if the net total number of Australian emissions units issued in relation to the project in accordance with this Part were decreased by the number specified in the determination.

(5) In making a determination under subsection (4), the Authority must comply with the regulations.

First reforestation reporting period

(6) Despite section 223, the first reforestation reporting period for the other reforestation project is the same as the reforestation reporting period for the original reforestation project in which the cessation mentioned in paragraph (1)(b) occurred.

Determination is not a legislative instrument

(7) A determination made under subsection (2) or (4) is not a legislative instrument.

222B Restructure of reforestation projects—variation of declaration relating to receiving project

Scope

(1) This section applies if:

(a) a declaration is in force under section 209 in relation to a reforestation project (the original reforestation project); and

(b) a person ceases to hold the carbon sequestration right in relation to the whole or a part of an area of land identified in the declaration as a project area; and

(c) either:

(i) in a case where the person ceases to hold the carbon sequestration right in relation to a part of an area of land identified in the declaration as a project area—the declaration is varied under section 214B by excluding that part from the area of land identified in the declaration as the relevant project area; or

(ii) in a case where the person ceases to hold the carbon sequestration right in relation to the whole of an area of land identified in the declaration as a project area—the declaration is varied under section 214C by excluding that area from the areas of land identified in the declaration as the project areas; and

(d) within 90 days after the cessation:

(i) there is another reforestation project for which that area is a project area; and

(ii) a scheme obligation transfer agreement has come into force in relation to the other reforestation project; and

(e) the project manager for the other reforestation project makes an application under section 212 for the variation of the section 209 declaration of the other project; and

(f) after considering the application, the Authority varies the section 209 declaration of the other project; and

(g) as a result of the variation, that area becomes a project area of the other project.

Determination in relation to the other reforestation project

(2) As soon as practicable after varying the declaration mentioned in paragraph (1)(f), the Authority must, by written notice given to the project manager for the other project, determine that:

(a) whenever it is necessary to calculate an amount in relation to the other reforestation project using the formula in subsection 195(3), that subsection has effect, in relation to the other re-
forestation project, as if the net total number of tonnes of greenhouse gases removed were increased by the number specified in the determination; and

(b) whenever it is necessary to calculate an amount in relation to the other reforestation project using the formula in subsection 196(2), that subsection has effect, in relation to the other reforestation project, as if the net total number of tonnes of greenhouse gases removed were increased by the number specified in the determination; and

(c) whenever it is necessary to work out the net total number of Australian emissions units issued in relation to the other reforestation project, this Part has effect, in relation to the other reforestation project, as if the net total number of Australian emissions units issued in relation to the project in accordance with this Part were increased by the number specified in the determination.

(3) In making a determination under subsection (2), the Authority must comply with the regulations.

Determination relating to original reforestation project

(4) As soon as practicable after the making of the variation mentioned in subparagraph (1)(c)(i) or (ii), the Authority must, by written notice given to the project manager for the original project, determine that:

(a) whenever it is necessary to calculate an amount in relation to the original reforestation project using the formula in subsection 195(3), that subsection has effect, in relation to the original reforestation project, as if the net total number of tonnes of greenhouse gases removed were decreased by the number specified in the determination; and

(b) whenever it is necessary to calculate an amount in relation to the original reforestation project using the formula in subsection 196(2), that subsection has effect, in relation to the original reforestation project, as if the net total number of tonnes of greenhouse gases removed were decreased by the number specified in the determination; and

(c) whenever it is necessary to work out the net total number of Australian emissions units issued in relation to the original reforestation project, this Part has effect, in relation to the original reforestation project, as if the net total number of Australian emissions units issued in relation to the project in accordance with this Part were decreased by the number specified in the determination.

(5) In making a determination under subsection (4), the Authority must comply with the regulations.

Determination is not a legislative instrument

(6) A determination made under subsection (2) or (4) is not a legislative instrument.

Clause 223, page 273 (after line 8), at the end of subclause (1), add:

Note: See also section 222A.

(98) Clause 223, page 273 (line 15), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(99) Clause 223, page 273 (line 19), omit “less than 5 years”, substitute “not more than 5 years”.

(100) Clause 224, page 274 (line 22), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(101) Clause 224, page 274 (line 22), omit “less than 5 years”, substitute “not more than 5 years”.

(103) Clause 225, page 275 (lines 4 and 5), omit “holds the carbon sequestration right in
relation to”, substitute “is the project manager for”.

(104) Clause 225, page 275 (after line 14), after paragraph (3)(b), insert:

(ba) be accompanied by such documents (if any) as are specified in the regulations; and

(105) Clause 225, page 275 (after line 19), after subclause (4), insert:

(4A) A document specified in regulations made for the purposes of paragraph (3)(ba) may relate to a matter arising before, during or after the reforestation reporting period.

(106) Subdivision A, clause 226, page 277 (line 2) to page 279 (line 23), omit the Subdivision, substitute:

Subdivision A—Forest maintenance obligation

226 Forest maintenance obligation

Scope

(1) This section applies to one or more areas of land if:

(a) the following conditions are satisfied:

(i) a notice was given under section 232 or 233 in relation to a project that is or was an eligible reforestation project;

(ii) the area was, or the areas were, identified in the relevant section 209 declaration as the project area or project areas for the eligible reforestation project;

(iii) the notice required a person to relinquish a particular number of Australian emissions units;

(iv) the Authority is satisfied that it is likely that the person will not comply with the requirement within 90 days after the notice was given; or

(c) the Authority is satisfied that:

(i) it is likely that a notice will be given under section 232 or 233 in relation to an eligible reforestation project; and

(ii) the area is, or the areas are, identified in the relevant section 209 declaration as the project area or project areas for the eligible reforestation project; and

(iii) the notice is likely to require a person to relinquish a particular number of Australian emissions units; and

(iv) it is likely that the person will not comply with the requirement within 90 days after the notice is given.

Declaration

(2) The Authority may, by writing, declare that:

(a) the area or areas of land are subject to a forest maintenance obligation; and

(b) an activity (if any) specified in the declaration is a permitted forest activity in relation to the area or areas of land for the purposes of this Act.

Note: For specification by class, see subsection 46(3) of the Acts Interpretation Act 1901.

(3) An activity may be specified under paragraph (2)(b) by reference to:
(a) the area or areas of land on which the activity may be carried out; or
(b) the manner in which the activity may be carried out; or
(c) the time or times at which the activity may be carried out; or
(d) the period or periods during which the activity may be carried out; or
(e) the person or persons who may carry out the activity.

(4) Subsection (3) does not limit the ways in which an activity may be specified under paragraph (2)(b).

(5) If the Authority makes a declaration under subsection (2), the Authority must take all reasonable steps to ensure that a copy of the declaration is given to:
(a) the project manager for the project; and
(b) if the project manager for the project does not hold the carbon sequestration right for the project—the person who holds the carbon sequestration right for the project; and
(c) each person who holds an eligible interest in the area, or any of the areas, of land; and
(d) a person specified in the regulations; and
(e) the relevant land registration official (within the meaning of section 237).

(6) A failure to comply with subsection (5) does not affect the validity of a declaration under subsection (2).

Obligation

(7) If the area or areas of land are subject to a forest maintenance obligation, a person must not engage in conduct that has, or is likely to have, the result that:
(a) there is no forest stand on the area, or any of the areas, of land; or
(b) the number that, under the regulations, is taken to be the number of tonnes of greenhouse gases removed by the forest stand or stands on the area, or any of the areas, of land is less than the number that, under the regulations, is taken to be the number of tonnes of greenhouse gases removed by the forest stand or stands immediately before the area or areas of land became subject to the forest maintenance obligation; unless the conduct is a permitted forest activity in relation to the area or areas of land.

Ancillary contraventions

(8) A person must not:
(a) aid, abet, counsel or procure a contravention of subsection (7); or
(b) induce, whether by threats or promises or otherwise, a contravention of subsection (7); or
(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (7); or
(d) conspire with others to effect a contravention of subsection (7).

Civil penalty provisions

(9) Subsections (7) and (8) are civil penalty provisions.

Note: Part 21 provides for pecuniary penalties for breaches of civil penalty provisions.

Duration of declaration

(10) A declaration under subsection (2):
(a) comes into force when a copy of the declaration is given to the project manager for the project under subsection (5); and
(b) unless sooner revoked, ceases to be in force at whichever of the following times happens first:
(i) when the penalty payable under section 287 in respect of the non-compliance with the requirement referred to in subparagraph (1)(a)(iv) or (b)(iv) (including any late payment penalty payable under section 288 in re-
lation to the section 287 penalty) is paid in full;
(ii) if the relevant section 209 declaration has never been varied—at the end of 100 years after the first occasion on which an Australian emissions unit was issued in relation to the project in accordance with this Part;
(iii) if the relevant section 209 declaration has been varied—at the end of 100 years after the last occasion on which the declaration was varied.

Declaration is not a legislative instrument
(11) A declaration made under subsection (2) is not a legislative instrument.

226A Variation or revocation of declaration of forest maintenance obligation

Scope
(1) This section applies if a declaration is in force under subsection 226(2) in relation to an area or areas of land.

Variation or revocation
(2) The Authority may, by writing, vary or revoke the declaration.
(3) The Authority may do so:
(a) on the Authority’s own initiative; or
(b) on application made to the Authority by a person.

Application
(4) An application under paragraph (3)(b) must:
(a) be in writing; and
(b) be in a form approved, in writing, by the Authority; and
(c) be accompanied by the fee (if any) specified in the regulations.
(5) A fee specified under paragraph (4)(c) must not be such as to amount to taxation.

Notification
(6) If the Authority varies or revokes the declaration, the Authority must give a copy of the variation or revocation to:
(a) the project manager for the project; and
(b) if the project manager for the project does not hold the carbon sequestration right for the project—the person who holds the carbon sequestration right for the project; and
(c) each person who holds an eligible interest in the area, or any of the areas, of land; and
(d) a person specified in the regulations; and
(e) the relevant land registration official (within the meaning of section 237).
(7) A failure to comply with subsection (6) does not affect the validity of a variation or revocation.

Variation or revocation is not a legislative instrument
(8) A variation or revocation of the declaration is not a legislative instrument.

226B Revocation of declaration of forest maintenance obligation—voluntary relinquishment of Australian emissions units

Scope
(1) This section applies if:
(a) an area or areas of land are subject to a forest management obligation; and
(b) in the case of a single area—the area is not a project area of an eligible reforestation project; and
(c) in the case of 2 or more areas—none of the areas is a project area of an eligible reforestation project; and
(d) a person applies to the Authority for the revocation of the relevant subsection 226(2) declaration; and
(e) before the application was made, the applicant voluntarily relinquished a number of Australian emissions
units in order to satisfy a condition for revocation of the declaration; and

(f) the number of relinquished units equals the net total number of Australian emissions units issued in relation to the project in accordance with this Part.

Revocation

(2) The Authority must revoke the declaration.

Application

(3) An application under paragraph (1)(d) must:

(a) be in writing; and

(b) be in a form approved, in writing, by the Authority.

Subdivision AA—Forest restoration order

226C Forest restoration order

Scope

(1) This section applies to one or more areas of land if:

(a) the area or areas of land are subject to a forest maintenance obligation; and

(b) a person has contravened, or is contravening, subsection 226(7) in relation to the area, or any of the areas, of land.

Order

(2) The Authority may, by written notice given to the person, order the person to:

(a) if one or more forest stands are in existence on the area or areas of land—ensure that those forest stands are managed and maintained in accordance with the requirements set out in the order; and

(ii) ensure that those forest stands are managed and maintained in accordance with the requirements set out in the order.

(3) An order under subsection (2) is to be known as a forest restoration order.

(4) The Authority must not make a forest restoration order that is inconsistent with section 226.

Notification of order

(5) If the Authority makes a forest restoration order, the Authority must take all reasonable steps to ensure that a copy of the order is given to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right for the project—the person who holds the carbon sequestration right for the project; and

(c) each person who holds an eligible interest in the area, or any of the areas, of land; and

(d) a person specified in the regulations; and

(e) the relevant land registration official (within the meaning of section 237).

(6) A failure to comply with subsection (5) does not affect the validity of a forest restoration order.

Duration of order

(7) Unless sooner revoked, a forest restoration order ceases to be in force when the subsection 226(2) declaration that relates to the forest maintenance obligation mentioned in paragraph (1)(a) of this section ceases to be in force.

Compliance with order

(8) A person must comply with a forest restoration order to the extent to which the person is capable of doing so.
Ancillary contraventions

(9) A person must not:

(a) aid, abet, counsel or procure a contravention of subsection (8); or

(b) induce, whether by threats or promises or otherwise, a contravention of subsection (8); or

(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (8); or

(d) conspire with others to effect a contravention of subsection (8).

Civil penalty provisions

(10) Subsections (8) and (9) are civil penalty provisions.

Note: Part 21 provides for pecuniary penalties for breaches of civil penalty provisions.

Order is not a legislative instrument

(11) A forest restoration order is not a legislative instrument.

226D Variation or revocation of forest restoration order

Scope

(1) This section applies if a forest restoration order is in force in relation to an area or areas of land.

Variation or revocation

(2) The Authority may, by writing, vary or revoke the order.

(3) The Authority may do so:

(a) on the Authority’s own initiative; or

(b) on application made to the Authority by a person.

Application

(4) An application under paragraph (3)(b) must:

(a) be in writing; and

(b) be in a form approved, in writing, by the Authority; and

(c) be accompanied by the fee (if any) specified in the regulations.

(5) A fee specified under paragraph (4)(c) must not be such as to amount to taxation.

Notification

(6) If the Authority varies or revokes the order, the Authority must give a copy of the variation or revocation to:

(a) the project manager for the project; and

(b) if the project manager for the project does not hold the carbon sequestration right for the project—the person who holds the carbon sequestration right for the project; and

(c) each person who holds an eligible interest in the area, or any of the areas, of land; and

(d) a person specified in the regulations; and

(e) the relevant land registration official (within the meaning of section 237).

(7) A failure to comply with subsection (6) does not affect the validity of a variation or revocation.

Variation or revocation is not a legislative instrument

(8) A variation or revocation of the order is not a legislative instrument.

(108) Clause 227, page 279 (line 31), omit “subsection 226(2) or (4)”, substitute “subsection 226(7) or 226C(8)”.

(109) Clause 227, page 280 (line 5), omit “subsection 226(2) or (4)”, substitute “subsection 226(7) or 226C(8)”.

(110) Clause 232, page 282 (line 6), omit “holds the carbon sequestration right in relation to”, substitute “is the project manager for”.

(111) Clause 232, page 282 (line 11), omit “or 219”, substitute “, 218A, 219 or 219A”.

(112) Clause 232, page 282 (lines 23 to 27), omit subclause (5), substitute:
Sunset

(5) Despite subsection (2), the Authority must not give a notice under that subsection later than:

(a) if the relevant section 209 declaration had never been varied—100 years after the first occasion on which an Australian emissions unit was issued in relation to the project in accordance with this Part; or

(b) if the relevant section 209 declaration had been varied—at the end of 100 years after the last occasion on which the declaration was varied.

(113) Clause 233, page 283 (line 5), omit "holds the carbon sequestration right in relation to", substitute "is the project manager for":

(114) Clause 233, page 283 (lines 24 to 28), omit subclause (5), substitute:

Sunset

(5) Despite subsection (2), the Authority must not give a notice under that subsection later than:

(a) if the relevant section 209 declaration has never been varied—100 years after the first occasion on which an Australian emissions unit was issued in relation to the project in accordance with this Part; or

(b) if the relevant section 209 declaration has been varied—at the end of 100 years after the last occasion on which the declaration was varied.

(115) Clause 234, page 284 (line 1) to page 285 (line 3), omit the clause.

(116) Clause 235, page 286 (lines 4 to 10), omit subclause (1), substitute:

Scope

(1) This section applies to a person if the person ceases to hold the carbon sequestration right in relation to an eligible reforestation project.

(117) Page 286 (after line 28), at the end of Division 11, add:

235A Regulations may impose notification requirements

(1) The regulations may make provision requiring the project manager of an eligible reforestation project to notify a matter to the Authority.

(2) A matter specified in regulations made for the purposes of subsection (1) must be relevant to the operation of this Part.

Requirement

(3) If the project manager of an eligible reforestation project is subject to a requirement under regulations made for the purposes of subsection (1), the project manager must comply with that requirement.

Ancillary contraventions

(4) A person must not:

(a) aid, abet, counsel or procure a contravention of subsection (3); or

(b) induce, whether by threats or promises or otherwise, a contravention of subsection (3); or

(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (3); or

(d) conspire with others to effect a contravention of subsection (3).

Civil penalty provisions

(5) Subsections (3) and (4) are civil penalty provisions.

Note: Part 21 provides for pecuniary penalties for breaches of civil penalty provisions.

(118) Clause 237, page 287 (lines 22 and 23), omit "an obligation is imposed by subsection 226(2) in relation to those areas of land", substitute "those areas of land are subject to a forest maintenance obligation".

(119) Clause 239, page 289 (after line 16), after paragraph (1)(d), insert:

(da) the name of the person who is the project manager for the project; and

(120) Clause 239, page 289 (lines 25 to 26), omit "an obligation is imposed by subsec-
tion 226(2) in relation to the project area or project areas’, substitute “the project area or project areas are subject to a forest maintenance obligation”.

(121) Clause 239, page 289 (after line 30), after paragraph (1)(g), insert:

(ga) if:

(i) the project manager for the project has requested the Authority that particular information about the project be set out in the Register of Reforestation Projects; and

(ii) the request has not been withdrawn; and

(iii) the requested information is of a kind specified in the regulations; and

(122) Clause 239, page 290 (lines 1 to 3), omit “an obligation is imposed by subsection 226(2) in relation to one or more areas of land that were formerly a project area or project areas of an eligible reforestation project,”; substitute “one or more areas of land that were formerly a project area or projects areas of an eligible reforestation project are subject to a forest maintenance obligation,”.

(123) Division 14, clauses 240 and 241, page 291 (line 1) to page 296 (line 14), omit the Division, substitute:

Division 14—Carbon sequestration right and forestry right

Subdivision A—Carbon sequestration right

239A Carbon sequestration right in relation to a reforestation project

For the purposes of this Act, a person holds the carbon sequestration right in relation to a reforestation project if the person holds the carbon sequestration right in relation to the project area or each of the project areas.

240 Carbon sequestration right in relation to an area of land

Torrens system land

(1) For the purposes of this Act, if:

(a) an area of land is Torrens system land; and

(b) a person holds a legal estate or interest in the area of land; and

(c) the estate or interest is registered under a Torrens system of registration; and

(d) as a result of holding the estate or interest, the person has the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on the area of land;

the estate or interest is the carbon sequestration right held by the person in relation to the area of land.

(2) For the purposes of this Act, if:

(a) an area of land is Torrens system land; and

(b) a person holds the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on the area of land;

(c) the right is registered under a Torrens system of registration; and

(d) under a law of a State or Territory, the right is, or is taken to be, an estate or interest in land;

the exclusive right is the carbon sequestration right held by the person in relation to the area of land.

(3) For the purposes of this Act, if:

(a) an area of land is Torrens system land; and

(b) a person has the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on the area of land; and

(c) either:

(i) the right is registered under a Torrens system of registration; or

(ii) the area of land is Torrens system land, and the right is noted on the relevant certificate of title; and
(d) under a law of a State or Territory, the right runs with the relevant land; the exclusive right is the \textit{carbon sequestration right} held by the person in relation to the area of land.

\textit{Crown land that is not Torrens system land}

(4) For the purposes of this Act, if:

(a) an area of land is Crown land in a State or Territory; and

(b) the area of land is not Torrens system land; and

(c) a person (other than the State or Territory) holds a legal estate or interest in the area of land; and

(d) as a result of holding the estate or interest, the person has the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on the area of land;

the estate or interest is the \textit{carbon sequestration right} held by the person in relation to the area of land.

(5) For the purposes of this Act, if:

(a) an area of land is Crown land in a State or Territory; and

(b) the area of land is not Torrens system land; and

(c) a person (other than the State or Territory) has the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on the area of land; and

(d) under a law of the State or Territory, the right runs with the relevant land; and

(e) it is not the case that under a law of the State or Territory, the right is, or is taken to be, an estate or interest in land;

the exclusive right is the \textit{carbon sequestration right} held by the person in relation to the area of land.

(7) For the purposes of this Act, if:

(a) an area of land is Crown land in a State or Territory; and

(b) the area of land is not Torrens system land; and

(c) as a result of the area of land being Crown land:

(i) the State or Territory; or

(ii) a statutory authority of the State or Territory;

has the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on the area of land;

the exclusive right is the \textit{carbon sequestration right} held by the State, Territory or statutory authority, as the case may be, in relation to the area of land.

Right to obtain the benefit of sequestration

(8) For the purposes of this section, in determining whether a person has the exclusive legal right to obtain the benefit (whether present or future) of sequestration of carbon dioxide by trees on an area of land, it is immaterial whether that right extends to sequestration of
carbon dioxide by the soil in which the trees are growing.

**Subdivision B—Forestry right**

**241 Forestry right**

*Torrens system land*

(1) For the purposes of this Act, if:

(a) an area of land is Torrens system land; and
(b) a person holds a legal estate or interest in the area of land; and
(c) the estate or interest is registered under a Torrens system of registration; and
(d) as a result of holding the estate or interest, the person has the exclusive legal right to establish, manage and maintain a forest on the area of land; the estate or interest is the *forestry right* held by the person in relation to the area of land.

(2) For the purposes of this Act, if:

(a) an area of land is Torrens system land; and
(b) a person has the exclusive legal right to establish, manage and maintain a forest on the area of land; and
(c) the right is registered under a Torrens system of registration; and
(d) under a law of a State or Territory, the right is, or is taken to be, an estate or interest in land; the exclusive right is the *forestry right* held by the person in relation to the area of land.

*Crown land that is not Torrens system land*

(3) For the purposes of this Act, if:

(a) an area of land is Crown land in a State or Territory; and
(b) the area of land is not Torrens system land; and
(c) a person (other than the State or Territory) holds a legal estate or interest in the area of land; and
(d) as a result of holding the estate or interest, the person has the exclusive legal right to establish, manage and maintain a forest on the area of land; the estate or interest is the *forestry right* held by the person in relation to the area of land.

(4) For the purposes of this Act, if:

(a) an area of land is Crown land in a State or Territory; and
(b) the area of land is not Torrens system land; and
(c) a person (other than the State or Territory) has the exclusive legal right to establish, manage and maintain a forest on the area of land; and
(d) under a law of the State or Territory, the right is, or is taken to be, an estate or interest in land; the exclusive right is the *forestry right* held by the person in relation to the area of land.

(5) For the purposes of this Act, if:

(a) an area of land is Crown land in a State or Territory; and
(b) the area of land is not Torrens system land; and
(c) as a result of the area of land being Crown land:

(i) the State or Territory; or
(ii) a statutory authority of the State or Territory;
has the exclusive legal right to establish, manage and maintain a forest on the area of land; the exclusive right is the *forestry right* held by the person in relation to the area of land.
Division 14A—Eligible interest in an area of land

241A  Eligible interest in an area of land—Torrens system land

Scope

(1) This section applies to an area of land if the area is Torrens system land.

Eligible interest

(2) For the purposes of this Act, if a person holds a forestry right in relation to the whole or a part of the area of land, the forestry right is an eligible interest held by the person in the area of land.

(3) For the purposes of this Act, if:

(a) a person holds an estate in fee simple, or any other legal estate or interest, in the whole or a part of the area of land; and

(b) the estate or interest is registered under a Torrens system of registration;

the estate or interest is an eligible interest held by the person in the area of land.

(4) For the purposes of this Act, if:

(a) under subsection (2) or (3), a person holds an eligible interest in an area of land; and

(b) another person:

(i) is a mortgagee of the eligible interest, where the mortgage is registered under a Torrens system of registration; or

(ii) a chargee of the eligible interest, where the charge is registered under a Torrens system of registration;

the mortgage or charge is an eligible interest held by the other person in the area of land.

241B  Eligible interest in an area of land—Crown land that is not Torrens system land

Scope

(1) This section applies to an area of land if the area is Crown land and is not Torrens system land.

Eligible interest

(2) For the purposes of this Act, if a person holds a forestry right in relation to the whole or a part of the area of land, the forestry right is an eligible interest held by the person in the area of land.

(3) For the purposes of this Act, if:

(a) a person holds an estate in fee simple, or any other legal estate or interest, in the whole or a part of the area of land; and

(b) the estate or interest is registered under a Torrens system of registration;

the estate or interest is an eligible interest held by the person in the area of land.

(4) For the purposes of this Act, if:

(a) under subsection (2) or (3), a person holds an eligible interest in an area of land; and

(b) another person:

(i) is a mortgagee of the eligible interest, where the mortgage is registered under a Torrens system of registration; or

(ii) a chargee of the eligible interest, where the charge is registered under a Torrens system of registration;

the mortgage or charge is an eligible interest held by the other person in the area of land.
Division 16—Transition of reforestation projects from non-CPRS reforestation schemes

243 Request for determination

(1) If a person applies under section 205 for a declaration of a reforestation project as an eligible reforestation project, the application may be accompanied by a request for a determination under section 243C in relation to the project.

(2) A person is not entitled to make a request after the end of the 2-year period beginning at the commencement of this section.

(3) A request may be set out in the same document as the application under section 205.

243A Form of request

(1) A request must:
(a) be in writing; and
(b) be in a form approved, in writing, by the Authority; and
(c) be accompanied by such information as is specified in the regulations; and
(d) be accompanied by such documents (if any) as are specified in the regulations.

(2) The approved form of request may provide for verification by statutory declaration of statements in requests.

243B Further information

(1) The Authority may, by written notice given to a person who has made a request under section 243, require the person to give the Authority, within the period specified in the notice, further information in connection with the request.

(2) If the person breaches the requirement, the Authority may, by written notice given to the person:
(a) refuse to consider the request; or
(b) refuse to take any action, or any further action, in relation to the request.

243C Determination

Scope

(1) This section applies if:
(a) a request under section 243 has been made for a determination under this section in relation to a reforestation project; and
(b) under section 209, the Authority has declared the reforestation project to be an eligible reforestation project.

Determination

(2) As soon as practicable after making the declaration, the Authority must consider the request and may, by written notice given to the person who made the request, determine that this Act has effect, in relation to the project, as if:
(a) the net total number of Australian emissions units mentioned in subsection 232(3) were increased by the number specified in the determination; and
(b) the net total number of Australian emissions units mentioned in paragraph 233(1)(d) were increased by the number specified in the determination.

(3) The Authority must not make a determination under subsection (2) unless the Authority is satisfied that the project area is or was, or the project areas are or were, covered by a prescribed non-CPRS reforestation scheme.

(4) In making a determination under subsection (2), the Authority must comply with the regulations.

Refusal

(5) If the Authority refuses to make a determination under subsection (2), the Authority must give notice of the refusal to the person who made the request for the determination.

Determination is not legislative instrument

(6) A determination made under subsection (2) is not a legislative instrument.
Clause 278G, page 334 (after line 7), after subclause (1), insert:

(1A) The list must set out the location of each landfill facility on the list.

Clause 286, page 343 (after line 22), after paragraph (2)(d), insert:

(da) if the Australian emissions unit or units are being voluntarily relinquished in order to satisfy a condition for revocation of a subsection 226(2) declaration—set out a statement to that effect; and

Clause 286, page 345 (line 19), at the end of paragraph (6)(b), add “or”.

Clause 286, page 345 (after line 19), after paragraph (6)(b), insert:

(ba) an Australian emissions unit is voluntarily relinquished in order to satisfy a condition for revocation of a subsection 226(2) declaration;

Clause 325, page 381 (line 10), omit “the Federal Court”, substitute “a court”.

Clause 337, page 387 (lines 7 and 8), omit paragraphs (1)(o) and (p), substitute:

(o) subsection 226(7);
(p) subsection 226C(8);

Clause 337, page 387 (after line 9), at the end of subsection (1), add:

(y) subsection 304A(3).

Clause 338, page 388 (after line 6), after paragraph (2)(d), insert:

(da) subsection 235A(3);

Clause 346, page 397 (after table item 32), insert:

32A A decision to refuse to approve a scheme obligation transfer agreement under section 197B.

Clause 346, page 397 (table item 36), omit “or 214”, substitute “213A, 214, 214A, 214B or 214C”.

Clause 346, page 397 (table item 38), omit “218 or 219”, substitute “218, 218A, 219 or 219A”.

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304A Record-keeping requirements—preparation of reforestation report

Scope

(1) This section applies if a person:

(a) made a record of particular information; and
(b) used the information to prepare a reforestation report.

Record-keeping requirements

(2) The regulations may require the person to retain:

(a) the record; or
(b) a copy of the record;

for 5 years after the reforestation report was given to the Authority.

(3) If a person is subject to a requirement under regulations made for the purposes of subsection (2), the person must comply with that requirement.

Ancillary contraventions

(4) A person must not:

(a) aid, abet, counsel or procure a contravention of subsection (3); or
(b) induce, whether by threats or promises or otherwise, a contravention of subsection (3); or
(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (3); or
(d) conspire with others to effect a contravention of subsection (3).

Civil penalty provisions

(5) Subsections (3) and (4) are civil penalty provisions.

Note: Part 21 provides for pecuniary penalties for breaches of civil penalty provisions.
(140) Clause 346, page 397 (after table item 41), insert:
41A A decision to make a determination under section 222A or 222B.

(141) Clause 346, page 397 (table item 42), omit the table item, substitute:

42 A decision to make a declaration under subsection 226(2).
42A A decision under section 226A to vary a forest maintenance obligation declaration.
42B A decision under section 226A to refuse to vary a forest maintenance obligation declaration.
42C A decision under section 226A to refuse to revoke a forest maintenance obligation declaration.

(142) Clause 346, page 397 (table item 44), omit the table item, substitute:

44 A decision to make a determination under subsection 243C(2).
44A A decision to refuse to make a determination under subsection 243C(2).

(143) Page 419 (after line 23), after clause 375, insert:

375A Delegation by a State Minister or a Territory Minister

(1) A Minister of a State or Territory may, by writing, delegate any or all of his or her functions or powers under this Act to a person who:

(a) is an officer or employee of the State or Territory, as the case may be; and

(b) holds or performs the duties of an office or position that is equivalent to a position occupied by an SES employee in the Australian Public Service.

(2) In exercising powers under a delegation, the delegate must comply with any directions of the Minister of a State or the Minister of the Territory, as the case may be.

(144) Clause 382, page 426 (lines 3 to 15), omit subclause (9), substitute:

Reforestation

(9) This Act and the associated provisions also have the effect they would have if each reference in this Act to a reforestation project were, by express provision, confined to:

(a) a reforestation project, where the project manager for the project is:

(i) a constitutional corporation; or

(ii) the Commonwealth; or

(iii) an authority of the Commonwealth;

(b) a reforestation project, where the project area is, or the project areas are:

(i) in a Territory; or

(ii) in a Commonwealth place.

(9A) This Act and the associated provisions also have the effect they would have if each reference in sections 226 and 226C to a person were, by express provision, confined to:

(a) a constitutional corporation; or

(b) the Commonwealth; or

(c) an authority of the Commonwealth.

The vast majority of the proposed amendments to the CPRS Bill deal with reforestation and are a result of direct feedback from forest entities as part of our consultation processes. They were foreshadowed in the second reading speech. They allow more flexibility for eligible reforestation projects that are financed, managed and structured in
diverse ways and are designed to expand the potential for reforestation to generate low-cost abatement, which emitters of greenhouse gases can access, and to help meet Australia’s emissions targets. The key changes in relation to reforestation will allow reforestation projects over multiple instead of single land titles, and this will allow larger entities to manage forests across different geographical locations in order to reduce some forms of risk—for example, from natural events such as fire. They also will allow project areas to be transferred from one reforestation project to another new or existing project.

In addition, the amendments will allow the carbon sequestration right holder—that is, the person who receives scheme units—to transfer scheme liabilities, such as reporting requirements or relinquishment obligations, to another entity with the agreement of the authority. This will enable a broader range of legal and commercial arrangements for reforestation projects. The amendments convert the forest maintenance obligation from a positive to a restrictive obligation, requiring all persons with an interest in the land—not just the forestry right holder—to ensure that long-term forest carbon stores are not reduced and removing the obligation on landowners to re-establish the forest unless they were responsible for breaching the conditions of the forest maintenance obligation. This approach reduces the risk to landowners of allowing reforestation projects on their land. These amendments also allow for forests to transition from existing climate change mitigation schemes—for example, the New South Wales government’s Greenhouse Gas Reduction Scheme. Finally, they will enable the register of reforestation projects to include additional qualitative information about reforestation projects.

Specific provisions will also be needed to address reforestation projects on land granted under Commonwealth, state or territory land rights legislation or held for the benefit of Aboriginal peoples or Torres Strait Islanders under Commonwealth, state or territory legislation and land subject to native title rights. These provisions are not included in the current set of amendments but will be introduced into parliament later in 2009. We believe that further consultation with Indigenous stakeholders would help ensure that Indigenous people were able to participate in and benefit from forest carbon sequestration under the scheme. The remaining amendments are minor technical changes that clarify or refine existing provisions in the main Carbon Pollution Reduction Scheme Bill. I commend the amendments to the House.

Mr CHESTER (Gippsland) (9.58 am)—I thank the House for this opportunity, but I must say that I am disappointed that many members have not had the chance to speak more fulsomely during this debate. Many in the government are desperate to secure a political advantage at every opportunity and like to typecast any voices of dissent in this debate as somehow being climate change sceptics or heretics. The Prime Minister himself is in the habit of claiming that, if you do not support his CPRS legislation, you do not care about the future of the Great Barrier Reef or Kakadu. It is a childish and simplistic attack that fails to recognise the basic truth: Australia contributes less than two per cent of total global emissions and anything we do in isolation to reduce those emissions will do virtually nothing to improve the global environment. There is no Australian solution to this problem; there is only a global solution. This should be an issue of science and economics, not politics and some sort of green religion.

The hypocrisy of the government’s position in the environmental debate is found right across Australia, where cuts have been made to practical environmental initiatives
such as the Landcare movement, while government MPs keep spinning their lines on climate change. This is the great con by the Labor Party when it comes to environmental issues at both state and federal level. There is a long list of grand but otherwise empty statements followed up by very little action on the ground, where the work needs to be done to maintain and enhance the natural environment.

As a member of both Landcare and Watermark, two groups in the Gippsland area that are committed to practical environmental initiatives, I am constantly amazed by the determination and dedication of many country people, particularly landowners, to maintain and enhance their local environment. There are hundreds of people in Gippsland who are prepared to get their hands dirty and do the practical environmental work, which this government is failing to support. Farmers and rural landholders are the practical environmentalists of this nation. They have a vested interest in caring for the land and they are keen observers of the weather and the longer term climate patterns. The feedback I am receiving in Gippsland in relation to this legislation is that they are worried about the long-term drought and they are investigating different techniques and investing in new ways to manage their properties. However, they are also telling me that this is nothing new. Farmers in Australia have always faced the challenge of growing our nation’s food and fibre in a difficult and variable climate. That is not to say they do not believe the climate is changing; it is simply to make the point that they are innovative and ready to adapt if they are not crushed by the heavy hand of government regulation. I fear that the CPRS legislation before the House poses a far greater risk to the future of Australian agriculture than much of the climate change forecasts.

My record in relation to the climate change debate is clear for all to see. I spoke on this topic during my maiden speech and told the House that Gippslanders are at the pointy end of the climate change debate. It is the families who rely on incomes from industries such as power generation at Latrobe Valley and farming who will bear the brunt of any decisions for Australia to go it alone without a worldwide agreement. I repeat my earlier remarks: given our nation’s contribution to global emissions is less than two per cent, any policy that sacrifices jobs in my region will be met with strong resistance by the local community. As I also indicated in my maiden speech, if we are prepared to give the planet the benefit of the doubt and we accept that climate change is real, then we are going to need a strong and sustainable economy to deal with the challenges it presents.

The coalition has put forward a practical and common-sense plan to deal with many of these issues. Amidst all of the hyperbole and the empty rhetoric from those opposite, the Liberal and National MPs in this place, and Independents, to a large extent have shown a willingness to engage in the debate and put forward some very positive alternatives. To begin with, we sought to delay consideration of the CPRS legislation until we had a clearer picture of the position that would be adopted by the world’s largest nations and the biggest contributors to total global emissions. This is a practical and common-sense approach and we have the time to get our response right. The issue of sustainable environmental management is on the public agenda to stay and we must deal with its challenges in the context of a sustainable economy. Under the Rudd government’s model before the House, we run the risk of jobs being exported from Australia to nations which do not have a comparable scheme. A fear that is regularly expressed to me in my
electorate is that we will be sending our jobs offshore. We will also export our carbon emissions to those nations, and the net result will be deterioration in the world’s environment because the nations that take the jobs will have less stringent environmental protocols than Australia.

Again, the opposition’s position is balanced, it is reasonable and it is practical. The government should be having a genuine conversation with the Australian public on this issue without all of the propaganda and the rhetoric. Last year we had the spectacle of the government funding a propaganda advertising campaign which effectively raised fears in the community. I believe that is an appalling betrayal of the Australian public. There is genuine concern in our community about environmental issues, but this government is doing nothing to allay those concerns; it is ramping up the rhetoric and seeking to score political points.

As I said earlier, this is a matter of science and economics. I am a firm believer in the capacity of the human mind to develop solutions to seemingly unresolvable problems. The ingenuity of the human race has overcome many challenges in the past and it will do so in the future. Instead of funding these advertising propaganda campaigns to scare the community into voting Labor, why doesn’t this government put that additional money into practical environmental initiatives or increased research? The government portrays its trading scheme as the only way to reduce CO2 emissions, but the reality is far different. Time prevents me from exploring every option in detail, and I thank the House for the opportunity—(Time expired)

Mr BIDGOOD (Dawson) (10.03 am)—I rise to speak in support of the Carbon Pollution Reduction Scheme Bill 2009 and related bills. Those opposite could never take the strong and decisive action of the Rudd Labor government because they are weak and divided on this issue and a range of other issues that are important to the future of this nation. The member for Wentworth and the Liberal Party remain divided, and to this day are still debating whether climate change even exists. As for the Nationals in this place, their position on this issue is clear: the leader of the Nationals in the other place thinks it is a good idea to drill for oil in Antarctica—enough said!

I am passionate about jobs, and if we do not act now Australia’s economy will be left behind, meaning we will not create the jobs of the future—the low-pollution, green-collar jobs that will be needed as we go forward. In my electorate of Dawson, Mackay Sugar’s long-planned cogeneration electricity plant is a step closer to being a reality thanks to our government’s commitment to tackling climate change. Mackay Sugar’s cogeneration plant, to be located at Racecourse sugar mill, will use sugarcane bagasse, a waste product from the production of sugar, to produce a plant that could generate up to one-third of Mackay’s electricity needs. These technologies could lead to biofuel capacities and ethanol production. Projects like these are made feasible by our renewable energy targets and the CPRS. This is a $110 million project which has been sitting on the books for over 10 years due to inaction by those on the other side of the House.

Deferring action now is not an option. The reality is we will face long-term costs that will be around 15 per cent higher if we do not take action now. Treasury modelling released in October 2008 shows that measures created in this bill will see the renewable energy sector grow to up to 30 times its current size by 2050, creating thousands of new jobs. That is good news; that is exciting news. Many Bowen Basin workers have their homes, their families and their children in my electorate. In my first speech in this
House I said that Labor is the miner’s friend—always has been; always will be. We are delivering on that promise by supporting the coal industry’s moves towards reducing its carbon emissions. We are doing this because the Rudd Labor government recognise and understand the vital importance of the coal industry. It is our biggest export industry, a major employer and a driver of economic growth for the country.

The decision to delay the CPRS by a year and have a soft-start, fixed-permit price of $10 will also assist the coal industry in the Bowen Basin. These changes that I have been pushing for help support jobs in Dawson. We are being pragmatic in our support by providing significant funding for research and development of carbon capture and storage, known as CCS. These are innovative technologies of the future. There is $100 million to accelerate deployment of commercial-scale CCS projects globally through the Australian led Global Carbon Capture and Storage Institute. There is the very significant $2.4 billion in Commonwealth funding for carbon capture and storage that will help leverage $1 billion in industry funding and around $500 million in state government funding.

I believe in a coal industry with a future. I believe that investment will continue to flow into the coal industry. For example, in May of this year there was an announcement from Waratah Coal that a proposed mining project in Alpha will generate 6,000 jobs. That will be worth $7.5 billion. This is an exciting project plan to use Abbot Point coal terminal, located near the town of Bowen in my electorate, to export its coal. This is great news for the people of Dawson. The government has outlined $750 million in transitional assistance, targeted at the mines that are suffering from these higher carbon liabilities. The government will continue to engage with the industry to ensure that this money is targeted in the best way possible. Stakeholders in the industry understood when Waratah Coal’s Peter Lynch said:

I don’t think that the CPRS is going to have enough of an impact to present insurmountable problems.

These sentiments were reiterated by Rio Tinto, for whom it is one of the ‘greatest challenges’ and also one of the greatest ‘opportunities’. There is political will to see this legislation go through this House. This is important legislation for the future of the coal industry. We on this side of the House and I, standing for the people of Dawson, wholeheartedly commend this bill to the House.

Mr HARTSUYKER (Cowper) (10.08 am)—The Carbon Pollution Reduction Scheme Bill 2009 before the House is an important issue for every Australian. The legislation we have before us will result in a quantum shift in the ways in which financial markets operate, resources are allocated and wealth is distributed within our economy. The issue of climate change demands a coordinated, global response. It is an issue on which no country can go it alone, particularly a country whose population is as small as Australia’s. It is vital that Australia’s response to climate change be consistent with other major economies, that it be the subject of rigorous assessment using the very latest available data and that the decisions be made from an informed viewpoint.

I believe that the average Australian would consider it prudent to reserve a decision on an ETS until we know the outcome of the Copenhagen conference, the direction that the world community will take and the final direction of US legislation. It is clear to all except the Labor Party and this Prime Minister that the scheme adopted by the world’s largest economy will be pivotal to the global response on climate change. I also
believe that the average Australian would consider it prudent that any consideration of an ETS should take into account the impact of the current financial downturn, but Labor chooses to ignore these factors and to make an unsubstantiated value judgment that the fate of the planet rests with the immediate passage of this flawed legislation.

The simple fact is that Labor’s political interests are best served by the passage of this legislation. The interests of the Australian people and the planet are being left a distant second. Why would the opposition support Labor’s flawed scheme when we are provided with no analysis of the impact of a delayed start by our competitors? Why would the opposition support Labor’s flawed scheme when the current economic conditions have not been taken into account by the government? Why would the opposition support Labor’s flawed scheme when there has been no empirical analysis of alternatives? We certainly will not do so simply because the Prime Minister says there is no other way. The opposition is fully aware that there are other ways and better outcomes.

The Nationals are particularly concerned about the impact of Labor’s flawed scheme on regional Australia. Research by the New South Wales government, which is no friend of the coalition, found that regional centres across Australia would shrink by 20 per cent. Would that worry this Prime Minister? Clearly not. His primary concern is the 10-second sound bite and the 24-hour news cycle. I am greatly concerned at its impact on low-income earners in my electorate. The Prime Minister puts forward this scheme as some form of magic pudding where everyone benefits and no-one pays. Nothing could be further from the truth. The purpose of an emissions trading scheme is to change behaviour, and it achieves that through price signals. The cost of carbon will, over time, be factored into everything we buy and every service we use.

The Prime Minister and the Labor Party are perpetuating an illusion that low-income earners will be compensated for the cost of an ETS. The reality is that we will all pay and low-income earners will be hardest hit. Low-income earners are asking me how adequate that compensation will be and how long it will last. The answer is that it is reviewable after five years, and we know how much this Prime Minister loves reviews. The very real risk is that the compensation will be phased out and legislation could be introduced to remove that compensation even sooner than five years from now. The reality is that the purpose of an ETS is to inflict economic pain. That is how the change in behaviour is achieved and low-income earners will feel the pain the most.

Employment in any area is of concern, and on the North Coast of New South Wales it is of particular concern. The opposition is gravely concerned that the ETS will destroy jobs and reduce economic growth. Unemployment is far too high in coastal areas and with the added burden of an ETS—a very badly designed ETS, as this one is—unemployment will be driven higher. The Labor Party drones on about the need for certainty. The people I represent do not need the certainty of increased unemployment, the certainty of reduced living standards by virtue of this flawed scheme or the certainty of knowing that they will pay more for everything they buy. This is a poorly considered, rushed piece of legislation that is designed purely to serve Labor’s political interests. It will not benefit the environment. It will export jobs and it will export CO2 emissions.

Mr HALE (Solomon) (10.12 am)—I thank the House for the opportunity to speak in support of the Carbon Pollution Reduction Scheme Bill 2009 and related bills and to
outline the significance of the scheme to the people of Australia and, specifically, the hardworking people in my seat of Solomon. This scheme strikes the right balance between supporting growth and jobs now and delivering carbon reduction. The Carbon Pollution Reduction Scheme will ensure that Australia invests in the industries of the future, such as renewable energy, solar energy and wind farms, as well as in jobs that use new technology, such as clean coal and geothermal energy, thus creating thousands of new low-pollution jobs. We on this side of the House have been very mindful of the potential impact on jobs, particularly during these difficult economic times. That is why we have taken the responsible action of delaying the start of the scheme for one year and committing to a fixed price phase from 1 July 2011 to 30 June 2012.

This government, through the work of both the Minister for Climate Change and Water and the Parliamentary Secretary for Climate Change, is delivering strong action to tackle climate change. The Rudd government is committed to creating low-pollution jobs for the future as part of its comprehensive approach to combating climate change. The Carbon Pollution Reduction Scheme will see for the first time a cost put on carbon pollution, which will encourage major polluting businesses to lower their emissions. Funds raised will assist households to adjust to the scheme, making sure Australian families do not carry the cost of climate change. Through our tackling of climate change we will see the renewable energy sector grow to 30 times its current size by 2050, thereby creating thousands of new jobs. With that in mind, over $13 billion has been committed to programs that will increase the demand for low-pollution jobs, products and services. We are helping business to invest in energy efficiency and to develop and commercialise new low-carbon and renewable products in transport and energy generation. These measures will support the development of the industries around energy efficiency and low-carbon transport as well as energy production and renewable energy production. Jobs will be created in new and established industries alike and be spread throughout Australia.

Scientists agree that carbon pollution is causing the world’s climate to change. This change is resulting in more extreme weather events, higher temperatures, more droughts and rising sea levels, all of which have significant consequences for the people in Solomon and the Northern Territory. Scientific research tells us that the Top End is likely to become hotter and wetter and the Centre hotter and drier. The frequency and intensity of extreme weather events such as tropical cyclones or storm surges is likely to increase. Rises in temperatures could lead to the loss of 80 per cent of the freshwater wetlands in Kakadu. Rising sea levels, increased frequency of tropical cyclones and extreme weather events are likely to significantly impact on biodiversity, critical habitats, tourism, and food and cultural values important to the traditional landowners. Science suggests that uncontrolled climate change could see real threats to coastal housing and infrastructure, tropical diseases becoming more common, particularly amongst the elderly, and more people suffering from heat related illnesses, and death. So, when politicians say that Australia should wait until after a global deal is struck to take any action on climate change, they are in effect arguing for Australia to surrender to these effects of climate change.

Australia is one of the hottest and driest continents on earth. Our environment and economy will be one of the hardest and fastest hit by climate change if we do not act now. In global terms, Australia pollutes at high levels for a country of our size. In fact,
on a per capita basis we are the sixth largest polluter in the world. Leadership from the developed world encourages other countries to join the global fight. By introducing the Carbon Pollution Reduction Scheme, Australia will be a part of the solution, not just the problem. The world will come together to attempt to reach a new global agreement on climate change in December this year, and as the Prime Minister said yesterday regarding the position of the opposition:

There are national interest questions here. Business certainty is necessary. The future of our regulatory environment as it affects the emissions-intensive trade-exposed sector of the economy and other sectors of the constitution is of vital relevance for future business certainty.

The national interest actually demands some action on the part of the Leader of the Opposition. Take some leadership. Take on the sceptics in your own party. Actually forge a position on behalf of the coalition. Show some leadership on climate change. … We need business certainty for Australia’s future.

I could not agree more with my Prime Minister. I commend this bill to the House.

Mrs BRONWYN BISHOP (Mackellar) (10.17 am)—This the first time we have had a fair dinkum opportunity to debate this question. It was sloganeering from one end of the country to the other until we actually got a bill. Then the government decided that it was going to restrict the opportunity to speak so that people like me are only allowed to have five minutes and could not even speak on the second reading. That is about as sensible as this government can get, I suppose. The euphemistic title of ‘Carbon Pollution Reduction Scheme’ must have been dreamt up by their best spin doctors. This is an ETS, an emissions trading scheme. If it looks like an ETS and it smells like an ETS and it quacks like an ETS, it is an ETS!

There are two very salient points that I would like to make in the five minutes available. The first is this. The government was euphoric yesterday when it saw that for the first quarter of 2009 we did not in fact see GDP fall into decline. We had a very small growth. I took the trouble to look at the figures to see precisely why that was so. The main target of this ETS proposal is to attack the biggest enemy that the people who are the green believers have, and that is coal. Yet the real irony is that the reason our GDP did not shrink for the first quarter is that coal exports held up. In fact, in that quarter we exported $12.8 billion of coal. We also exported $13 billion of metal ores and $3.4 billion of rural products. The two sectors that will be hit hardest by this ill-thought-out, fundamentally flawed legislation, which I am pleased we will be voting against, are the rural sector and the coal sector, and coal provides the vast majority of electricity for the people of Australia.

Yet nowhere is there an honest declaration of the fact that this scheme will put up the cost of everything that happens in our economy. We heard the CEO of Santos on radio the other day say that the reason he might support this legislation was that, as long as the price of coal went up—and I am paraphrasing his words—so that it made his product of gas competitive, it would be a good idea. In other words, we are introducing a tax to make what is a cheap source of energy for this country expensive so that the producers of some other products can in fact say that they will give us our source of energy. At the same time we are depending on the exports of that very same commodity to keep our GDP growing. What hypocrisy is this!

The second point that I would like to make concerns a very interesting article I came across in the New York Times, and it concerns a debate which is yet to be had. If
we are serious about carbon pollution we should be discussing black carbon—soot—and we should be discussing people. The really shocking part of what I am going to talk about now is that something is going to be done about the appalling conditions in which tens of thousands of people live right across India and Africa and Asia—with their cooking stoves, using dung to cook their food, destroying the lungs of their children and the women—only because doing something might serve some vested interest. We are only going to talk about doing something, about giving them new stoves, because it might serve the great god of greenhouse gases. It would not be because it has been killing the kids or because these women have had no quality of life but because someone finds that it will assist their argument on climate change.

The final paragraph of this article reads this way—and I might say that the person who is propounding the need to look at black soot is Dr Ramanathan, who is a former member of the IPCC. He is the pre-eminent man on black soot and he is the man who says that something has to be done about changing those stoves. The person working with him says:

I'm not going to go to the villagers and say CO2 is rising, and in 50 years you might have floods. I'll tell her about the lungs and her kids and I know it will help with climate change as well.

There is a time in this debate when we have to be honest and say we have to put people first, have the argument that is fair dinkum and look at the real issues that have to be addressed before we launch into such legislation.

Mr RIPOLL (Oxley) (10.23 am)—This week the US car giant General Motors, the world’s largest car manufacturer, went into voluntary administration and is bankrupt. In the process, thousands of jobs will disappear and communities will suffer, just as they have done over the past 20 years when GM were making record profits and shoving jobs overseas. Many will be shocked and will ask the question: how could this have happened? While hindsight is a wonderful thing, it was not needed in the case of GM and other monoliths that refused to change and adapt. The same could be said about economies that refuse to accept climate change and its consequence in the long term. But reward will come to those that adapt early and create new industries and carbon economies into the future. Yes, there is a cost but it is an inevitable cost that is best dealt with in a planned and measured way, a cost that can be mitigated through a strategic plan.

None of us know what the world will look like in 50 years, but what we do know is that it will not look like it does today. In 50 years time when the world and global economies are fully integrated into carbon economies, with alternative energy use and pollution reduction, people will look back at this period in our history and question why we argued at all. Our children as future leaders will ask why, in the face of all that we know must be done, we did not act more quickly and why we debated the minor detail when the course of action was always clear. Some will say that, had we acted more quickly, others would have followed sooner. Other economies and nations not as courageous or without the foresight—just like GM—will lament why we took so long to act as global leaders. It has often been a historic fact that great change comes from humble beginnings—perhaps as humble as a small nation such as Australia taking first steps.

On any difficult matter, leadership is hard. History teaches us that lesson repeatedly. Leadership also teaches us that many will say no and stand in the way. There are those that are frightened into inaction or blinded by ology. There are those who just sit and wait.
Maybe this sounds all too familiar for people in this chamber. The opportunity to take action on climate change, carbon pollution and the new carbon economy is now—and that is what this government is doing. In contrast, the Liberal and National parties’ position of the past is destroyed by the reality that they cannot even agree amongst themselves. But, sadly, the Liberal and National parties have only one position, and that is to oppose completely and to delay indefinitely.

The Australian people at the last election made clear their view and expectation for the parliament, and as a government we will uphold that commitment on climate change. As Treasury modelling and Professor Garnaut’s review have shown, the costs of inaction are far greater than the costs of responsible action today. The Carbon Pollution Reduction Scheme is to start in 2011 and for the first time it will put a cost on carbon pollution, which will encourage major polluting businesses to lower their emissions. It will also encourage them to modernise, to be more efficient and to be more competitive. We will use the funds raised to assist households in making sure that Australian families do not unjustifiably carry the cost of climate change.

We will build on our investment in renewable energy to create the low-pollution jobs of the future in solar energy and on wind farms and jobs using new technologies like clean coal and geothermal energy. Taking action on climate change will see the renewable energy sector grow to 30 times its current size by 2050, creating thousands of new jobs. Schemes already exist in 27 European countries. In the United States and Canada 28 states and provinces are introducing emissions trading to reduce carbon pollution, as is New Zealand. US President Obama has committed to establishing a cap-and-trade system to reduce carbon emissions with targets to reduce those emissions. We are not alone but we still need to lead.

This government will not leave workers out in the cold. We will provide substantial assistance to support the jobs of today into the future. We will allocate free permits to firms engaged in emissions-intensive trade-exposed activities. The $3.9 billion electricity sector adjustment schemes will also help, and the $2.75 billion Climate Change Action Fund will also work to minimise the impact. The reality is that Australian business are doing it tough, and we will support them with the new global recession buffer and a one-year fixed period will also be introduced. Given the financial crisis, these targets are appropriate and responsible and they get the balance right. We have the right balance. We will deliver crucial reform but we will also mitigate the worst impacts on the community. We will protect our economy and jobs during this crisis and we will help Australians to transition to a low-pollution economy that can create jobs into the future.

In conclusion, economic circumstances are constantly changing. They have changed in the past and they will do so in the future. But fear of change should not paralyse us from action. The Carbon Pollution Reduction Scheme is a critical economic reform to protect our economy now and to position Australia into the future.

Ms MARINO (Forrest) (10.28 am)—The coalition cannot support this seriously flawed legislation that will lead to job losses for Australian workers without materially cutting our 1.4 per cent of the world’s carbon emissions. This legislation will export jobs, investment and emissions through the design flaws in this emissions trading scheme. Some of the flaws in this complex scheme are quite fundamental. I have coal-fired electricity generators in my electorate. Under this legislation they have simply been assumed away.
The legislation is framed around the national energy market which operates a gross pool system, allowing costs to be passed through in the way electricity is sold.

WA is an energy island. The market is primarily a bilateral contract system with long-term contracts of typically 15 years, with a minor percentage of the market traded. Unless several years ago a generator made provision for carbon costs, the generator will have to pay this cost under the proposed scheme. There is no transitional allowance at all for the private energy generator in WA.

A further structural flaw is the treatment of fugitive emissions. Collie has been allocated the highest default factor when the state mining engineer acknowledged that Collie coal does not produce methane. I have a major alumina refinery in my electorate which operates in a global market where prices are set by international supply and demand. In the words of the Aluminium Council, our major concern with the proposed CPRS and renewable energy target is the magnitude of costs being imposed on Australia producers that is not being imposed on competing suppliers from other countries.

Costs of tens of millions of dollars per site will be imposed only on Australian producers. Given the ETS represents a major structural change, the government should have provided complete detailed analysis and modelling of the costs of the scheme, how it affects each industry and regional community and whether it is the most cost-effective option for Australia to reduce its emissions. Industries need a globally competitive, level playing field. The proposed US emissions legislation will provide 100 per cent protection to US export and import—competing industries until 2025.

Coming from the dairy industry, I well understand how difficult it is to compete in global markets without a level playing field. My industry competes with heavily subsidised competitors that have a direct economic advantage. We have lost numbers of farmers, jobs, small businesses, investments and Australian owned processors. It has come at a huge social and economic cost. Any assumption that we should be first to make concessions and the rest of the trading world will do the same—the assumption the Rudd government is making—is wrong. Farmers and exporters will continue to carry the cost. Treasury modelling has not even considered any impacts on agriculture. We know that the agricultural, horticultural and viticultural industries will, under this scheme, now also have to compete with imported products from countries that have the advantage of no flow-on costs from the creation of an ETS. The forestry industry has been excluded as well.

No-one in my electorate should underestimate the very direct impacts this flawed ETS will have on every individual, business and industry—mining and resources, manufacturing, agriculture, forestry and tourism—every small, medium and large business as well as every home and family. That is why, prior to the introduction of an ETS, it is essential that we see a Productivity Commission review, that the Copenhagen decisions and US legislation are known and that there is coordinated global action.

For Australia to implement a flawed, complex, bureaucratic emissions trading scheme which fails to make a measurable impact on reducing global emissions would cost Australian jobs, affect industrial output and investment, damage the economy and increase the cost of living for Australians. Yes, businesses and individuals in Australia need to be globally competitive and environmentally effective in their emissions mitigation decisions. Businesses do need certainty—I agree. They need certainty that they
will actually still be in business after the introduction of this government’s flawed emissions trading scheme legislation. I do not support these amendments.

Mr WINDSOR (New England) (10.32 am)—I draw the attention of the Parliamentary Secretary for Climate Change to some of the arguments that have been made inside this place and outside this place in relation to the measurement of soil carbon and whether that will be part of the Copenhagen discussions and Kyoto measures into the future. According to some, reforestation could address some of the issues that the proposed amendments attempt to deal with. There is the capacity for the sequestration right to hold for a period of years. I have heard queries as to whether the carbon that is being stored will, in a simplistic sense, be available for the market at certain times as it grows. Similar issues are being explored regarding soil carbon depth, soil type, drought et cetera. So I would like the parliamentary secretary to comment on the veracity of the science that is involved in the sequestration right as it relates to forestry.

I think the member for Mackellar raised some very interesting points a moment ago, and the member for Cowper and other members spoke about cost to agriculture—and I have seen many of the documents as well. As I said, I am opposed to this legislation, but I am not opposed to doing something about the problem. I am not opposed to an emissions trading scheme that is properly structured, but one that has a target level of only five per cent, I think, would create a whole economic mechanism for no real gain.

My electorate of New England is in the Murray-Darling Basin and these amendments affect the basin because reforestation potentially has not only positive aspects involving carbon storage but negative aspects in the form of basin run-off. For those who are loosely described as climate sceptics, I make this point: if the Murray-Darling, as some climate scientists are saying, were to suffer a reduction of up to 30 per cent of run-off through the changes to the climate, this message being peddled, by the National Party particularly, that if we take action, agriculture will bear a burden is nonsense. What if we do nothing and the scientists are proved right in 40 or 50 years? That is when the penalty will be paid by the farm sector. I would rather be doing something now than not doing anything at all and having people look back and say, ‘Why didn’t they act?’ If we ever need an example of that, we need only look at the Murray-Darling and the legislation that we have dealt with in this place in recent years. We recognise that what we did was wrong and now we are trying to fix it.

So I stress to members that when we are debating this subject we are not debating who is in government and who may be in government next year or the year after; we are really debating things that will not have a significant impact on us immediately but will potentially affect those who follow us. As I said, I would rather be on the side of action than on the side of inaction. If the steps we take amount to overkill, that will only be a positive for the globe.

I do not question the government’s motives, but I do not think that legislation with this headline banner and a five per cent number will have any meaningful impact on achieving those long-term goals. As I said earlier, the five per cent could be achieved by not going anywhere near a market mechanism. It could be achieved partly through reforestation as well as through renewable energy et cetera. I oppose the amendments and urge all members to consider some of the broader long-term issues. (Time expired)
Mr HAWKE (Mitchell) (10.37 am)—I rise this morning to add my voice in opposition to the Carbon Pollution Reduction Scheme Bill 2009. Unlike the previous member, I do question the government’s motives in relation to this piece of legislation. I think this is a purely political piece of legislation at the moment. This is not an environmental piece of legislation, and I think that is evidenced by the lack of detail that we see within the legislation. When you hear a procession of Labor Party backbenchers speaking on this bill, you have to question their credentials in being able to understand science or the weather. We have heard a wide-ranging report on the weather over the next hundred years. We have heard from amateur scientists and wannabe weather readers. It feels like most of the members of the Labor Party’s backbench have missed their calling in life, because they seem to know what is going to happen over the course of the next 100 years with a whole degree of certainty, whereas every scientific report that I read is very conflicting about what is going to happen over the next 100 years.

Let us have a look at what the New South Wales Department of Environment and Climate Change says. It says that there is going to be a 40-centimetre sea level rise in the next 30 years, yet the Office of Climate Change in Queensland and the Department of Sustainability and Environment in Victoria say there is going to be a 30-centimetre rise. I do not feel as though climate change recognises state borders. I do not think, once you cross over from our great state of New South Wales to Queensland, there is going to be a drop in the sea level. The fact is that they do not know. They cannot figure it out. And that is the debate that is happening and raging around the planet at the moment. There is a great question about the science. Of course, anybody who raises any point on the science or the lack of certainty about what will happen over the next 100 years is labelled a ‘sceptic’. I can tell you one thing, Mr Deputy Speaker: I am sceptical of the ability of every member of the Labor Party’s backbench to tell me what is going to happen with the weather over the next 100 years. I am sceptical about their ability to understand science. I am sceptical about their ability to find carbon on the periodic table. I am sceptical of a whole range of things. What I am very sceptical about is the government’s strategy of reducing carbon pollution and long-term emissions by 60 per cent of 2000 levels by the year 2050. I feel as though it is a deeply flawed concept.

The member for Oxley raised the matter of GM. I think that finding a market based solution to emissions or greenhouse gases is probably the only way that we will be successful in achieving this in the long term. But, with the scheme in front us at the moment, the only certainty that will come out of this is that we will lose jobs in Australia. The only certainty here is that we will put all of our industries at a serious competitive disadvantage, when you consider that America—the largest economy in the world—will be protecting their industries 100 per cent until 2025. Yet we are here today rushing in a scheme that will put all of our export industries at a massive competitive disadvantage. It defies logic.

It is fascinating to me to consider what the member for Oxley said about General Motors, because if you go to America and you look at what kinds of cars they drive you will see they drive these massive pollution-emitting cars. The cars they drive over there are more like tanks. The market, naturally, has come to the conclusion that people have stopped buying these large heavy pollution-emitting vehicles; therefore, the market is signalling to those companies that they cannot sustain their current level of economic
activity. It is what governments have been trying to achieve in the environmental space for decades coming to fruition through the market. People do not want big cars anymore. Yet what does the government do in the United States? It steps in to bail out the big car industries when the fundamental challenge for that industry is that people do not want big cars anymore. They do not want cars that emit so much. That is a good thing. That is a signal that governments have been trying to forecast and create for a long time. It is the kind of thing we need to be able to replicate without a punitive and harsh emissions trading scheme that will threaten so many jobs within this country.

We are limited in what we can say here this morning. The government has guillotined debate, in a sense. We do not have the chance to reflect on all of the measures within this scheme. I simply record that the Carbon Pollution Reduction Scheme here is flawed in its objective. It is being rushed in on a purely political basis without any idea about how we are going to sustain our industries in the long term against some very serious challenges. We ought to wait, we ought to review and we ought to have the necessary detail before we proceed. It is entirely proper that the Leader of the Opposition has sought to amend these bills. It is entirely proper that we are working to get a Productivity Commission report. I oppose this legislation. (Time expired).

The DEPUTY SPEAKER (Hon. Peter Slipper)—Order! Before I call the honourable member for La Trobe, I will point out that the member for Mitchell mentioned that he was from the great state of New South Wales but, given the State of Origin result last night, I am proud to be from the great state of Queensland.

Mr Hawke—I have a point of order, Mr Deputy Speaker. I am not familiar with the standing order, but can I move dissent from your ruling? Is that an option open to me?

The DEPUTY SPEAKER—There was no ruling. There is no point of order.

Mr WOOD (La Trobe) (10.43 am)—In 2006, I was fortunate enough to visit the Australian Antarctic Territory as a representative of the government. I was mesmerised by the tranquil beauty of Antarctica. Majestic icebergs rose out of the water. Seals lazed about on icy shelves and penguins waddled past, seemingly unfazed by scientists snapping pictures. Antarctica is one of the few places on this earth that has not been spoilt by humans. Sadly, on the other side of the globe, polar bears in the North Pole are in grave danger. Unlike Antarctica, the North Pole has no landmass; it is only ice. Polar bears hunt for food from Arctic ice shelves, hunting seals from ice platforms and fishing through holes in the ice. Global warming has caused these ice sheets to melt significantly. Experts say that within 100 years the polar bear will be extinct. Closer to home, there is a real threat to the Great Barrier Reef unless something is done urgently.

I have been a passionate advocate for the environment since my days in Ferny Creek Scouts and into year 12, where I completed a full-time education course on the outdoors and environment, and then into my first job, where I taught rock climbing, canoeing and cross-country skiing and in which I later became an instructor. I have actually been a member of Greenpeace longer than I have been a member of the Liberal Party. My passion has not been diminished by my election to this parliament; rather, it has been nurtured and enhanced. In actual fact, at the last election I proposed a $3 million program for weed eradication in the Dandenong Ranges. Sadly, the Labor government walked away from this. I have previously spoken in this House against the logging of old growth for-
ests in Tasmania and also about my utter disgust at the annual Japanese whaling hunt.

I am a strong supporter of an emissions trading scheme. I am of the strong view that, as members of parliament, we must stand up for what we believe in and aim for the highest targets as a benchmark rather than starting from a low base. I have the personal view that, when it comes to an ETS, we should aim for a 25 per cent reduction by 2020 as an absolute minimum.

I know many people do not believe in climate change. I ask those people: what if you are wrong? Do we really want to gamble with our children’s future? Do we want to condemn our most vulnerable creatures to death simply because some people did not think there was a problem? We could be the gatekeepers of one of the most important times in our planet’s history. Without action, we could see the demise of the polar bear and, locally, the death of the Great Barrier Reef.

The Prime Minister, during the 2007 election campaign, promised to deliver an emissions trading scheme by 2010. Obviously this is a broken promise. He also promised to have strong targets—another broken promise. After the election, the Rudd government rolled out its ETS scheme, which would cut emissions by five to 15 per cent. The scheme was ridiculed by business groups and green groups alike. It was only after a public outcry that the Prime Minister pledged to increase the reduction targets—but only if the whole world agreed to do the same. The government’s emissions trading scheme is a shocker and is no good for the environment. If this government wants to show that it is serious about reducing carbon emissions it should cooperate with other nations at the Copenhagen conference and aim for strong international targets.

I recently met with my former teacher from my outdoor education and environmental course, Peter Cook, now President of the Dandenong Ranges Renewable Energy Association, and with Ms Jo Tenner of the Upper Yarra and Dandenongs Environment Council. The local green groups in my election of La Trobe are very critical of and cynical about this scheme. They see it for what it is—a token gesture that will do nothing for the environment. They want me to vote against this flawed scheme, and I will.

Ms OWENS (Parramatta) (10.47 am)—I have to say that, having listened to the debate most of yesterday and very late into last night, I think I am in groundhog day. It seems that every day we start work on what is profound reform with incredible complexities, we move forward, and then it all stops, and we wake up the next morning hearing the opposition say, ‘I think we should delay it.’ First of all, they wanted to delay it because climate change did not exist. The next day they said we should wait for everyone else. Then they said we should wait for the end of the global financial crisis. Then they said we should wait for the US. Then they said we should wait for the Productivity Commission to review it again. This is extraordinary.

I sat in this House for three years prior to the last election waiting for the government to act on climate change—waiting for the government to mention climate change or even admit that it existed. They were deniers to the end. An election was held and the people voted. We said we were going to do this, and it is time to get out of the way. The opposition’s position is not taken because they think it should be delayed; it is taken because they cannot agree on a position. Faced with the conflict within their own ranks, the only option they can come up with is to make the rest of us and the world wait.
Well, we cannot wait, and the Australian people do not want us to wait. The opposition would have us all believe that somehow the Rudd government is rushing off recklessly, going where no man has gone before, as if we are somehow creating a new way of looking at things. So they have moved from groundhog day with that one to Star Trek.

Let us look at the international trends. We are talking about a cap-and-trade scheme, and there is an international trend towards that. Emissions trading is already underway in 27 European countries—we are not the first one in. New Zealand has passed cap-and-trade legislation, and President Obama has called upon congress to bring forth legislation to establish a cap-and-trade system in the US. If we want our economy to be smoothly integrated with the rest of the world and if we want to make a serious contribution in Copenhagen then we must act on this, and cap and trade is the only logical path. Linking allows the import of emissions units from other schemes, which will reduce abatement costs domestically. The nature of our capping arrangement provides additional certainty for business. The legislation ensures that the minister will be required to specify the scheme cap numbers for 2012-13, 2013-14 and 2014-15 before July 2010. Caps beyond that point will be set annually to provide certainty over a five-year horizon at all times.

I want to emphasise the need for immediate action. Passing the bill now will provide business certainty. Our energy and resources sectors engage in investment decisions with a horizon of anywhere from 15 to 30 years. The last thing they need is uncertainty over these long-term investments—investments which are worth billions of dollars and thousands of jobs in this country. We as a nation know that we will be introducing a carbon-trading scheme. The people of Australia voted on that issue in the last election. They rejected the ‘wait and see’ approach of the then government and current opposition. Heather Ridout of the Australian Industry Group said ‘uncertainty is death for business’. The CEO of the Business Council of Australia, Katie Lahey, said:

“To drag on the debate whilst we have got this global financial crisis is just one more complexity that business has got to factor into its planning cycle, and for some businesses it could be the straw that breaks the camel’s back…”

In stark contrast to our predecessors, the Rudd government have taken a consultative and flexible approach to public policy. In fact, I cannot recall a bill which involved more consultation. There was an extensive process of consultation with industry and stakeholders through a green paper, a white paper and an exposure draft, and we have continued to listen to business. When global circumstances changed, we reacted and adjusted to ensure we protected the real economy and the national interest. We are determined to reduce the impact of climate change but equally determined to cushion the impact of the global recession on local business and working families. Within the context of the global financial crisis, several sensible and balanced adjustments have been made to the CPRS to ensure that the climate change challenge continues to be met in an economically sustainable way. We have listened to business and we have responded and agreed to a phased introduction of the CPRS.

Climate change has been on the agenda for my constituents for at least a decade. It was ignored by the last government for at least eight of those years, and it is really time that we act. I implore the opposition to just get out of the way. (Time expired)

Mr CIOBO (Moncrieff) (10.52 am)—There is no doubt that climate change is a serious issue—in fact, some refer to it as the ‘generational’ issue. From my perspective,
though, it is clear that, with an issue this important, with there being so much debate around the science of whether or not climate change is due to mankind’s influence or is naturally occurring, and as a humble politician, as many of us in this chamber are, with frankly a very limited knowledge of the science, I, along with a number of my colleagues, and no doubt a number of members on the government benches, am of the view that we give the benefit of the doubt to the planet. We take the view that it is important that we do what we can to live in a more sustainable way and we do what we can to reduce greenhouse gas emissions because there is a very real risk that these are a cause or perhaps a significant contributor to climate change and the warming of the planet.

But, having said that, it is also crucial that in these kinds of debates we have a level-headed, rational approach to the way in which we go about setting policy that ultimately dictates the employment prospects, the economic growth and the standard of living not only for our domestic population of 21 million people but also globally. One thing that is very clear is that there is only a global solution to this problem. There is not an Australian solution; there is only a global approach. That is especially the case when in this country we account for 1.5 per cent of global greenhouse gas emissions. That is it: 1.5 per cent. Around 60 per cent is accounted for by the United States of America and China.

When members come into this House and lecture this side of the House, as the Parliamentary Secretary for Defence Procurement at the table does and as government members do, getting themselves all breathless and hot under the collar about how we must act and we must act now, I have to say that I think most Australians view with a high degree of cynicism just exactly what the caper of this government is. Does the government truly expect all Australians to believe that by waiting a further six or 12 months until we can integrate Australia’s approach to an ETS with the approach that is being adopted by the United States, as perhaps the biggest contributor to greenhouse gas emissions and the country that will set the international benchmark, in some way that is going to make a difference to whether or not we save the Great Barrier Reef, save rainforests or make a difference to climate change? Is that truly the argument that is put forward by the Labor Party? It is a complete folly. That kind of fallacious breathlessness that comes from those members on the government benches deserves to be condemned and treated with the disregard that is appropriate for such an idiotic approach to this debate. What we need is rationality, what we need is common sense, what we need is level-headedness and what we need is a global solution. A global solution requires Australia to just pause for six or 12 months and integrate our approach with the approach and the benchmark that will be set by the United States of America. That is the rational thing and the right thing to do. It is completely fallacious to pretend in some way that we have to do this now.

We know the real political agenda of the Australian Labor Party. It wants the Carbon Pollution Reduction Scheme Bill 2009 rejected in this House, it wants this bill to be rejected in the Senate and it wants it to happen twice, because it wants to go to an election. This government is running scared of the debt and deficit it is racking up and it will pull any kind of sophisticated approach and argue anything that it can to have a double dissolution election because it is terrified of its debt. If it has to do it through breathless approaches to climate change, then that is what it will do. I say to government members, *Pull your heads in, get real, get part of a global solution and stop pretending that it has to happen now or the Great Barrier Reef*
cannot be saved. The Australian people are a smart mob. They see straight through these kinds of puerile arguments from a government that is, frankly, out of time and, most importantly, up to its eyeballs in debt. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper)—Before I call the honourable member for Bowman, I would remind the honourable member for Dawson that it is disorderly to be reading newspapers in the chamber.

Mr LAMING (Bowman) (10.57 am)—I am effectively in continuance with the member for Moncrieff and I have very similar concerns. In this debate on the Carbon Pollution Reduction Scheme Bill 2009—and many of us have sat through it—we have failed to see the government’s argument that we need to act immediately on climate change translated into a valid argument for haste with this legislation. They are very different arguments. We have this debate closing today with just eight people in the public gallery. That reflects on the government having again failed to take the people with them on the complexities around what is the most important legislation brought before this place in nearly a decade.

Let me for a moment compare this legislation with the GST legislation of the 1990s. Members in this place will recall it was this side of the parliament that took the people with them. They were some of the most hostile debates in a generation, but we went step by step through its implications for Australian families. We walked the aisles of the shopping centres and talked about the impact of the GST on people of every socioeconomic background. But what we are seeing today is the opposite.

This is incredibly important legislation that is basically a naked piece of legislative scaffolding, upon which regulations are going to be riveted in the months and years to come. That is the concern of this side of the House. The member for Charlton must accept that the industry that is concerned on our side is also his industry and the workers who are concerned are also his workers. Those who express scepticism and diversity of thought are merely representing the sentiments of the community. Do not cloak this in a belief that it is a battle against deniers, because that was the song sheet of 2007. So often, boxers are only as good as their last fight. The government may well have won in 2007, fighting and seeking out deniers in evangelical zealotry, but the debate has moved on. We have moved on and this side of the chamber have put down serious solutions that are talking about recognising offsets and putting in voluntary carbon trading as of next year—and they have all been rebuked because the government would prefer to have this simplistic 2007 argument all over again. That is the political side of this legislation.

Does this scheme start in 2010? No. In 2011 perhaps? No. It will be mid-2012. So why the haste in bringing this legislation through now? We should wait five months for Copenhagen. But that is not being contemplated by the government. A great tragedy is that any valid debate about the shape of the trading system for Australia has been washed away. Read the legislation and all you will see are very superficial references to OTNs and to caps and to trading and to defining who is affected. But look for the regulations. Only six regulations have been written for this legislation. There are 30 more to come, and no-one knows exactly what the content of those regulations will be. The problem is that the government will not come back here and debate those further additions, because they are sneaking the legislation through under the cover of night, with barely any interest here in the parliamentary...
galleries. We have schools here today—we have Baranduda and Mary MacKillop—and those schools are watching the most important piece of legislation, but there has not been any sort of meaningful debate from the government beyond seeking out the deniers and exposing them.

If I have to apologise for this side of the House having a diversity of view, I will do it happily because it represents what is happening in the community. Eighty per cent of people want something done, but only a very small proportion of the Australian population really have a sense of what has to be done and how it will be done, and the impacts it will have. That is what this chamber should be debating, but it is not happening. Contrast that attitude with this side’s approach to complex and important legislation like the GST. We seriously engaged the Australian population, but that has not happened on this occasion.

Lastly, when we look to our major neighbours, as previous speakers have said, we have the US evolving legislation that is completely different from ours. The US legislation is effectively providing 100 per cent cover to export industries. Legislation in the US is effectively exempting coal, and it is guaranteeing up to 30 per cent of export entitlements to the power industry. Effectively, a nation with half of the export exposure that Australia has, by percentage of GDP, is looking after its exporters. I say to the member for Charlton: we have not even begun this debate in this House. We are effectively handing you a signed cheque. Yes, we will have the equivalent of a new tax, but you have not even told us what that tax will be. At least we talked about levels for the GST before we brought it to this chamber. I think this is almost, in an intellectual way, dishonest. It is dishonest to confuse the general desire of the community for something to be done with hasty, bungled and rushed legislation. We need a bipartisan approach on something as important as this. This government, by acting with such political haste, has prevented that occurring. I urge the House to support the amendments. (Time expired)

Mr OAKESHOTT (Lyne) (11.02 am)—I will be as quick as possible but I just want to make three points on the amendments. It is worth noting that I think I am one of only two members in this amendment debate to talk to the amendments. This is one of the more interesting and potentially one of the more fascinating aspects of the CPRS, if delivered right. It fits in with the support so far that I have given to the legislation although, in its current form, it is far from perfect. In many ways it is imperfect. If this amendment is a sign that the government is recognising that, that it is the start of a process rather than the end of a process, that we are going to see more value adding over time to the legislation generally, then that is a process I certainly welcome.

The issue of reafforestation rights on the back of carbon sequestration rights is, as I say, one of the more interesting and potentially more significant aspects of the legislation. Regardless of your position on global warming or climate change generally, there are some uniquely Australian issues that we need to deal with as a country. Whether they be soil erosion issues, salinity issues, riparian zone issues or biodiversity issues, we are now seeing for the first time, finally and with a little bit of hallelujah about it, public policy recognise that the tree has many roles with regard to delivering on public policy. We traditionally in this country see it as the role of the tree to be cut down and made into beautiful timber products—and, Mr Deputy Speaker, you are sitting in a very fine example of that role of a tree. But in the current climate, and heading into the future, that role will have to diversify. We will have credits
and offset roles for the tree. As I say, if it is done right, we can now address watertable and salinity issues, soil erosion issues and biodiversity issues. We can address those things if we are clever about how we deal with the public policy question of the role of the tree.

It is for that reason I say that this legislation is missing some things. It does not answer the question that has been made very public in the last week with regard to managed investment schemes. The collapse of Great Southern is one example, and there is the growing concern by many that monoculture plantations are not an environmental outcome; they are an environmental detriment. If this is going to lead to greater examples of monoculture plantations in some sort of investment process, as we have seen through the collapses of the last week in managed investment schemes, then it is not a win for the economy and it is not a win for the environment.

The second point I want to make concerns the question of biodiversity. That is the missing link in what I am seeing in this legislation and in the CPRS generally. There are people who have the science clear in their heads and who are having a really engaged debate about whether you can have a market based response to questions like reafforestation that include biodiversity as an added outcome as well. I am disappointed that that is not part of what I am seeing—I might have missed it, but I do not see any reference to that really difficult but really important question of how you place a value on biodiversity outcomes. For Australia there can be a really valuable gain if we can write into the public policy agenda for the future those biodiversity outcomes such as offsets for reafforestation, carbon sequestration and a CPRS response to climate change.

The third point I would like to make is with regard to the international agreements. This 1991 line is an artificial line and we need to sort that out at Copenhagen and get international agreement. The trees in the ground prior to 1991 have value and we are doing good work for our region. Australian companies like Macquarie Bank are investing in REDD projects. I can think of one in Cambodia. That is the future for developing nations. There has to be an economic value placed on the tree in the ground. We need to support that if we are serious about this overall issue. (Time expired)

Mr WINDSOR (New England) (11.07 am)—I do not apologise for delaying the House as I think this legislation is a very significant issue. I think the member for Lyne made a very important point a moment ago that there is a not-so-subtle contradiction in policy messages here. I have raised the renewable fuel issue on a number of occasions. Some members of the House, in fact I would say a majority of members of the House, believe that using agricultural land for fuel production is something that we should not be doing. I do not agree with that but, nonetheless, a lot of people do.

There is a collision point between fuel, food and carbon. They are three different policies but they collide at this point. Here we have a policy being introduced to encourage the use of land that could have been used for food production to go to tree production—a monoculture, as the member for Lyne suggested—which will mean that there could be benefits in terms of the emissions issue. Inherent in the message is that there will be land taken out of production that could have produced food. I do not argue with that. I think that it should go to the highest return as long as there is not environmental vandalism happening at the same time, and there are some questions about that in relation to a monoculture.
Why doesn’t the government have the same logic in terms of agricultural land being used for fuel production at source? I raised the point last night. We have an absurd situation in Australia, being poorly placed geographically in terms of some of our trading partners, where we grow 80 per cent too much of, for instance, grain and we export it overseas and we have all the carbon footprints getting it there. The starch within the grain is actually carbon and we export that. We get the dollars and we then go to another country and buy a boatload of oil and bring it back with all the carbon footprints that that denotes. Surely, if we are serious about emissions, we should look at these transport movements when quite a lot of them are done to just enter into the exchange of money to buy another product to bring it back. Surely there is an intersecting point where we can use some of that land to produce fuel.

The government has just introduced amendments, the very amendments we are voting on now, to use land for carbon offsets, not for food. We are endorsing that today. Surely we should be doing some accounting in terms of what shifting all of this carbon and starch around the world means in terms of the emissions-trading arrangements. I would suggest to the Parliamentary Secretary for Climate Change that this contradiction really needs to be looked at. I am not having a go at anybody here. I think it is a collision point that we need to identify. If we are going to start to drive land use through a policy that says, ‘You will make more money out of growing trees than out of growing food because there are these savings,’ what message do we send to other potential businesses such as the ethanol industry with cellulosic ethanol?

As the policy mix and the budget papers stand at the moment, after next year—or maybe it is the year after—renewable fuel will come back onto the tax regime in a similar fashion to carbon based fuels. Renewable fuel is one of the targets, and fine-particle emissions is another one of the targets that we are trying to get to in terms of health and emissions. I am pleased the Minister for Health and Ageing is here and I am pleased to see that she is taking down notes furiously as I speak. I think we have to have a very serious look at these points because we cannot use one argument to set aside one industry that can achieve environmentally and then use the same argument to drive another as we are with these reafforestation amendments within this particular legislation.

Mr KATTER (Kennedy) (11.12 am)—I wish to agree with my Independent colleagues and with their enthusiasm. Taking up where the honourable member for New England left off, we have a project in the pipeline, the biofuels project, and it will produce over 1,000 million litres of fuel a year. Australia uses 20,000 million litres of fuel. In relation to his point about health, it is just extraordinary to me that 2,000 people are dying in Sydney and Melbourne that simply do not have to die. Professor Streeton, the eminent Melbourne surgeon who was the leading witness in the tobacco case in Australia, and Professor Carney from Sydney University have commented. There is information in the Journal of the American Medical Association and I can give the reference to the Minister for Health and Ageing if she wishes. Clearly, there are 2,000 people dying in Sydney and Melbourne that do not have to die. Professor Streeton or Carney were here they would get very angry and very emotional because they would see a government that just could not care less.

The Americans care. They did not pass legislation to get ethanol, help farmers or forestall Middle Eastern oil. The legislation was the air quality control act which was passed after the completion of the California
study that indicated that when you had a doubling of your pollution you had a doubling of lung cancer and heart disease. I can give you the reference from the *Journal of the American Medical Association*, and it was also on the front page of *New Scientist* magazine. It was an earth-shattering event. Quite obviously, the governments of Australia are so ignorant that they do not even know what is going on in the world, but the Americans did. Except for those from the oil-producing states, every single senator voted for the air quality control act. It simply says that, when the ozone non-attainment level reaches 0.42, you have to oxygenate your petrol so you get a better burn and so people are not going to die from the stuff that gets in your lungs from the emissions.

I do not speak for the grains industry, but on, I think, page 176 of Al Gore’s book, he says there is a 29 per cent reduction. If you get the congressional papers and all of the information papers from the United States congress, every one of them centres around a figure of 28 or 29 per cent. Every single study that was done in the United States and in the world indicates a reduction in CO2 of 28 or 29 per cent when you switch to ethanol. Name me the only country in the world that does not have biofuels legislation. We are in it. The only country that I know of in the entire world that does not have biofuels legislation is us. The European Union has passed a number of resolutions which are binding upon its member states. Canada, the United States, Brazil, China and India are doing it through regulation as we talk. So the answer is there, but the government is going to impose a handicap on all of our industries for no good outcome.

There is another issue which it is vital to consider, and the honourable member for Lyne was here buying time so that this thing can be done properly and objectively. I think that there are commercial pressures upon this government, as there were upon the last government, from the oil companies, Woolworths and Coles and these people who control the bowlers in Australia. There is not the slightest doubt in my mind that the only interpretation that can be put on it is that interpretation.

I know that in the sugar industry, where we have a much greater benefit than the 29 per cent in the grains industry, we can produce off just one dam, Hells Gate, 1,000 million litres. About 20,000 million litres can be produced from one single dam and a tiny 100,000 hectares. At one stage, Mr Acting Speaker, I had a cattle station that was twice that size. That is a tiny amount of ground, I can tell you. The Mitchell River and the Gilbert River will give you another 3,000. We have over 40 rivers in the gulf; just two of those gulf rivers will give you 3,000 million megalitres. The sugar industry will then convert over, so there will be 8,000 million megalitres without even touching the grains industry. *(Time expired)*

The DEPUTY SPEAKER (Hon. Peter Slipper)—Prior to calling the member for Goldstein, I point out to the member for Kennedy that I am not the Acting Speaker; I am merely a deputy speaker.

Mr ROBB (Goldstein) *(11.18 am)*—In summing up the contribution of colleagues on my side of the chamber, I say that climate change is an issue of great consequence. In that regard, the Carbon Pollution Reduction Scheme Bill 2009, which we are considering in the House today, is perhaps the biggest deliberate structural change yet in our history. But what do we see on the other side? Apart from the government members, no-one supports this bill. This bill is friendless. No-one supports this bill. The Greens do not support this bill; the crossbenches do not support it; the coalition does not support it; and nor, in fact, do those in the community.
who are informed about the bill. So many green groups have approached me and my colleagues saying, ‘Vote against this bill; it is not in a position to do the job.’ So many industry leaders who are supportive of a price for carbon have said to me, ‘This bill is deeply flawed and will cost jobs.’ Why are they opposing this bill? They are opposing it because it does nothing for the primary task it sets out to achieve—that is, reducing CO2 emissions in the atmosphere. It does nothing. In fact, it could increase global levels of emissions in the atmosphere, and, as a consequence of carbon leakage, it will also see thousands of jobs go offshore, it will see investment collapse in the resources sector and it will see many industries under great competitive pressure because of the nature of this bill.

You would think that opposition would lead the government to ask, ‘Why?’ You would think those on that side would be starting to query and to reach out to all those groups to find solutions for the deeply flawed nature of this scheme. But not on your nelly! There has not been any suggestion of any contemplation of any changes. It is a ‘take it or leave it’ approach, basically. It ignores what is happening in the rest of the world. It is an arrogant approach. And why? They have forged on because their arrogant approach to this bill is driven by politics. It is dripping with politics. The Prime Minister is sticking to a scheme that is so awful that it cannot be supported by anybody so that he can go to an early election claiming that he tried on climate change. ‘Oh, I tried!’ But he will blame the inaction and incompetence of everyone else. We have seen this pattern of behaviour before. In regard to any difficult issue that the Prime Minister has had to confront, he blames somebody else. He shifts the blame but says that at least he tried. This is a cunning strategy, but it is dripping with cynicism; it is a shameful strategy.

This is an issue of great consequence. The scheme has been rushed and ill considered and it is grossly misleading. People have not been given any sense of what would happen if this bill comes in and our major competitors do not engage in a similar scheme within 10, 15 or 20 years—or more, for that matter. None of that work has been done. People have been misled and kept in the dark for crass political reasons.

The main argument of the government is that it will provide certainty. This is a nonsense argument. This bill will in fact do the opposite. It will lead to great uncertainty. So many leaders have said that to me. I think the feeling was summed up by the CEO of Anglo, who said, ‘I don’t need the certainty of a bullet.’ That captured the sentiment of so many in industry, so many who want to do something constructive but feel deeply threatened by this.

The bill has five or six pages, out of 450 pages, on trade exposed industries. Yet the real substance of the impact of this bill will be in the regulations, which are months away and which will change again once the rest of the world does something. This bill is deeply flawed. We need to wait and see what the United States does and we need to wait and see what happens at Copenhagen. So much is happening internationally. We need calm common sense at a time when the economy is under great pressure. We need to do this thing correctly. We will urge the government again in the other house to defer the vote on this until after the new year, when all of these things have been decided. For that reason, we will not be supporting these technical amendments.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I call the minister at the table, the Parliamentary Secretary for Climate Change.
Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (11.23 am)—I thank—

Mr Katter—Mr Deputy Speaker, I think I had the call.

The DEPUTY SPEAKER—The honourable member will resume his seat. I have given the call to the honourable the Parliamentary Secretary for Climate Change.

Mr COMBET—I thank the members again for their contribution to the debate on the amendments that have been proposed by the government. In particular, the members for New England and Lyne—supported by the member for Kennedy—raised a number of issues relating to those amendments concerning reforestation and they touched upon matters of soil carbon. I say in response to those issues: the forest carbon science is far more mature than the science relating to soil carbon sequestration. In fact, the measurement of forest carbon in the CPRS has been designed to be consistent with internationally agreed methodologies. That has been possible because the science underpinning measurement of carbon stored in forests is now very well established. In fact, forest carbon has been credited in Australia, as I am sure the members are well aware, since 2003. For this reason, the inclusion of these amendments in the Carbon Pollution Reduction Scheme Bill and ultimately their operation under the Carbon Pollution Reduction Scheme when it is enacted will help Australia, through reforestation projects, meet its international commitments.

I will go to those amendments in slightly more detail. Under the amendments, the government has the intent of encouraging carbon pollution reductions before the start of the full-scale scheme on 1 July 2011 for eligible reforestation projects, because they will be able to generate permits for carbon stored from 1 July 2010. This will indeed create economic opportunities in regional Australia. It is the case that the benefits of scheme participation will be the greatest for owners of new forests that will not be harvested. Scheme participation may not be as beneficial, for example, for those with mature plantations because they have little capacity for additional carbon sequestration or, alternatively, for single rotation plantations such as those owned through managed investment schemes. The member for Lyne made some reference to this. That is because the cost of obligations under the scheme could exceed the value of any permits received for carbon sequestration. But, in addition, forests established under the scheme may deliver additional benefits for regional Australia, including wind protection or improvements in water quality.

A number of issues were raised about the potential impact of these measures on land use. That is a matter on which the government will maintain a close monitoring role. The member for Lyne also referred to the extremely pertinent issues of biodiversity and the relationship of these reforestation measures to the promotion of biodiversity. That is a matter of which the government is extremely conscious and on which work is continuing. It is an area that my colleague the Minister for Climate Change and Water, Senator Wong, and I are continuing to work on very closely with the department at the moment. On the issue of sequestration of carbon in soil, there are two prerequisites, given that the science is far less mature than that for sequestration in forests. The two prerequisites for credit from increases in soil carbon to be included in the CPRS are the further development and maturation of the science based upon Australian soils and changes to the international carbon accounting rules. The government is actively working on both of those fronts.
Finally, there has been no case made for delay of consideration of these bills. In my earlier summing up I addressed all of the issues raised by the member for Goldstein a moment ago. It is clear that the attempt by the coalition to cause delay in consideration of the Carbon Pollution Reduction Scheme legislation is because of division on that side of politics. This is the greatest environmental reform that an Australian government has undertaken. It requires leadership. The science of climate change demands action. The government is taking that action, and I commend the amendments and the bill to the House. I move:

That the question be now put.

Question put.

The House divided. [11.32 am]

(The Deputys Speaker—Hon. Peter Slipper)

Ayes............ 73
Noes............. 63
Majority........ 10

AYES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bradbury, D.J.
Burke, A.S. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Combet, G.
Crean, S.F. D’Ath, Y.M.
Danby, M. Dreyfus, M.A.
Elliot, J. Ellis, A.L.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Garrett, P.
Georganas, S. George, J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hale, D.F. Hall, J.G. *
Hayes, C.P. * Irwin, J.
Kelly, M.I. Kerr, D.J.C.
King, C.F. Livermore, K.F.
Macklin, J.L. Marles, R.D.
McClelland, R.B. McKew, M.
McMullan, R.F. Melham, D.
Murphy, J. Neumann, S.K.
Owens, J. Perrett, G.D.
Price, L.R.S. Rea, K.M.
Rishworth, A.L. Rudd, K.M.
Shorten, W.R. Snowden, W.E.
Swan, W.M. Tanner, L.
Thomson, K.J. Turnour, J.P.
Zappia, A. Nola

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

* denotes teller

Question agreed to.
The DEPUTY SPEAKER (Hon. Peter Slipper)—The question now is that the amendments be agreed to.

Question agreed to.

Question put:

That the bill, as amended, be agreed to.

The House divided.  [11.40 am]

(The Deputy Speaker—Hon. Peter Slipper)

Ayes………… 74
Noes………… 62
Majority……… 12

AYES

Adams, D.G.H.
Bevis, A.R.
Bird, S.
Burke, A.S.
Campbell, J.
Cheeseman, D.L.
Collins, J.M.
Crean, S.F.
Danby, M.
Elliott, J.
Emerson, C.A.
Ferguson, M.J.
Georganas, S.
Gibbons, S.W.
Grierson, S.J.
Hale, D.F.
Hayes, C.P. *
Kelly, M.J.
King, C.F.
Macklin, J.L.
McClelland, R.B.
McMullen, R.F.
Murphy, J.
Neumann, S.K.
Oakeshott, R.J.M.
Parke, M.
Plibersek, T.
Raguse, B.B.
Ripoll, B.F.
Roxon, N.L.
Saffin, J.A.
Sidebottom, S.
Sullivan, J.
Symon, M.

Albanese, A.N.
Bidgood, J.
Bradbury, D.J.
Byrne, A.M.
Champion, N.
Clare, J.D.
Combet, G.
D’Ath, Y.M.
Dreyfus, M.A.
Ellis, A.L.
Ferguson, L.D.T.
Garrett, P.
George, J.
Gillard, J.E.
Griffin, A.P.
Hall, J.G. *
Irwin, J.
Kerr, D.J.C.
Livermore, K.F.
Marles, R.D.
McKew, M.
Melham, D.
Neal, B.J.
O’Connor, B.P.
Owens, J.
Perrett, G.D.
Price, L.R.S.
Rea, K.M.
Rishworth, A.L.
Rudd, K.M.
Shorten, W.R.
Snowdon, W.E.
Swan, W.M.
Tanner, L.

Thomson, C.
Trevor, C.
Vamvakinou, M.

Thomson, K.J.
Turnour, J.P.
Zappia, A.

NOES

Andrews, K.J.
Baldwin, R.C.
Bishop, B.K.
Briggs, J.E.
Chester, D.
Cobb, J.K.
Coultan, M.
Farmer, P.F.
Georgiou, P.
Hartsuyker, L.
Hawker, D.P.M.
Hull, K.E. *
Jensen, D.
Katter, R.C.
Laming, A.
Lindsay, P.J.
Marino, N.B.
May, M.A.
Morrison, S.J.
Nelson, B.J.
Pearce, C.J.
Ramsey, R.
Robb, A.
Ruddock, P.M.
Scott, B.C.
Simpkins, L.
Somlyay, A.M.
Stone, S.N.
Tuckey, C.W.
Vale, D.S.
Windsor, A.H.C.

Bailey, F.E.
Billson, B.F.
Bishop, J.I.
Broadbent, R.
Ciobo, S.M.
Costello, P.H.
Dutton, P.C.
Gash, J.
Haase, B.W.
Hawke, A.
Hockey, J.B.
Hunt, G.A.
Johnson, M.A. *
Keenan, M.
Ley, S.P.
Macfarlane, I.E.
Markus, L.E.
Mirabellia, S.
Moylan, J.E.
Neville, P.C.
Pyne, C.
Randall, D.J.
Robert, S.R.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Truss, W.E.
Turnbull, M.
Washer, M.J.
Wood, J.

* denotes teller

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (11.42 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009

Second Reading

Debate resumed from 14 May, on motion by Mr Combet:
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 COMBET (Charlton—Parliamentary Secretary for Climate Change) (11.44 am)—by leave—I present a supplementary explanatory memorandum to the bill and move government amendments (1) and (2), as circulated, together:

(1) Schedule 1, item 188, page 57 (line 4), after “22E”, insert “, 74AA”.

(2) Schedule 1, item 194, page 62 (before line 12), before section 74B, insert:

74AA Audit of persons providing reports under section 22A

(1) This section applies if:

(a) a person was a liable entity for an eligible financial year; and

(b) the person is required to provide a report under section 22A in relation to the eligible financial year; and

(c) the person’s gross emissions number for the eligible financial year exceeds the number specified in the regulations in relation to the eligible financial year.

Note: For gross emissions number, see subsection (5).

(2) The person must:

(a) appoint as an audit team leader a registered greenhouse and energy auditor of the person’s choice; and

(b) arrange for the audit team leader to carry out an audit of:

(i) the section 22A report; and

(ii) such other matters (if any) relating to the section 22A report as are specified in the regulations; and

(iii) the person’s compliance with section 22B in relation to the eligible financial year; and

(c) arrange for the audit team leader to give the person a written report setting out the results of the audit; and

(d) give the Authority a copy of the audit report:

(i) on the day on which the section 22A report is provided to the Authority; and

(ii) in the manner specified in the regulations.

Civil penalty:

(a) for an individual—200 penalty units; or

(b) otherwise—1,000 penalty units.

Note: Under section 30, a person may be liable for an additional civil penalty for each day after the day mentioned in paragraph (d) for which the person fails to provide an audit report in accordance with this section.

(3) The regulations may specify:

(a) the type of audit to be carried out; and

(b) the matters to be covered by the audit; and

(c) the form of the audit report and the kinds of details it is to contain.

(4) The person must provide the audit team leader and any audit team members with all reasonable facilities and assistance necessary for the effective exercise of the audit team leader’s duties under this Act.
Civil penalty:
(a) for an individual—50 penalty units; or
(b) otherwise—250 penalty units.

(5) For the purposes of this section, a person’s gross emissions number for an eligible financial year is the total of the person’s provisional emissions numbers (if any) for the eligible financial year.

Briefly, the amendments to the Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009 will require large emitters responsible for emissions of 125,000 tonnes of carbon dioxide equivalents or more to have their emission reports properly audited before submitting them to the regulatory authority on 31 October of each year. This is consistent with the policy position on auditing outlined in the government’s white paper on the scheme, and I commend the amendments to the House.

Question agreed to.
Bill, as amended, agreed to.

Third Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (11.46 am)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009

Second Reading
Debate resumed from 14 May, on motion by Mr Combet:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Consideration in Detail
Bill—by leave—taken as a whole.

Mr OAKESHOTT (Lyne) (11.48 am)—by leave—I move amendments (1) to (11), as circulated in my name, together:
(1) Clause 1, page 1 (line 8), omit ‘Australian’, substitute ‘Independent’.
(4) Part 2, page 8 (line 1), (heading), omit:
‘Australian’ substitute:
‘Independent’.
(5) Clause 10, page 8 (line 5), omit:
‘Australian’ substitute:
‘Independent’.
(7) Clause 10, page 8 (line 8), omit:
‘Australian’ substitute:
‘Independent’.
(8) Page 8, after clause 11, insert:
11A Authority not subject to direction
The Authority is not subject to direction by the Minister in relation to the:
performance of the functions conferred on the Authority by the Parliament; and
(b) publication of information under Part 12 of the Carbon Pollution Reduction Scheme Act 2009.
(9) Clause 19, page 11 (lines 11 to 13), omit the clause, substitute:
19 Period of appointment for members of the Authority
The Minister must appoint a Member of the Authority for a period of 5 years.
A person who has been appointed as a member of the Authority may be appointed for second period of 5 years.
Thursday, 4 June 2009

HOUSE OF REPRESENTATIVES

5737

(2) A person who has been appointed as a member of the Authority for two five
years periods is not eligible for ap-
pointment for a further period.

(10) Clause 41, page 22 (lines 2 to 9), omit the
clause, substitute:

41 Minister may advise Authority

(1) The Minister may, by legislative in-
strument, advise the Authority of the
Minister’s views as to the priorities that
should be given by the Authority to the
performance of its functions.

(2) Advice given under subsection (1)
must have regard to the provisions of
section 11A.

(3) The Authority must give the Minister,
in writing, a response to any advice it
receives from the Minister under sub-
section (1).

(11) Title, page 1 (line 1), omit:
‘Australian’
substitute:
‘Independent’.

I will not take up too much time of the
House and, without pre-empting any deci-
sions by those leaders of both houses, I will
not be calling a division, because I do appre-
ciate the number of bills before the House
today and these amendments do relate to the
previous division, where the three Indepen-
dent MPs enjoyed voting yes. Both political
parties have been enjoying the last 48 hours,
claiming that their opponents are either job
destroyers or climate change sceptics, and
the three Independents certainly enjoyed
watching these uncommon bedfellows sitting
side by side and voting down what is—
certainly from my position—an eminently
sensible amendment agreed upon by both
sides.

I will reiterate the point of the exercise,
however, and that is to put the many market
decisions that are to be made on the issues
before us into the hands of an independent
statutory authority. I think that the member
for Goldstein correctly made reference to a
Reserve Bank type model. We put monetary
policy, interest rate rises or falls, in the hands
of an arms-length body. It is done because by
the nature of our trade we are populist, as
much as we might not all like to admit it, and
there are unpopular decisions that need to be
made if we are going to be true in the deliv-
ery of an emissions trading scheme and a
market based response. Therefore, it is in
everyone’s interests, not only politicians’
interests but also in the interests of an effi-
cient market, that it is at arm’s length and
that it is given some independence and some
eminence with regard to the true science and
economic impacts and, as a consequence,
that it is given both authority and security. It
is one of the great concerns causing political
division. Security of tenure is a real issue for
investors and those who want to see this
scheme work in the long term. So independ-
ence, permanence, eminence and, therefore,
authority are things that this House could and
should endorse if we are to value-add to this
scheme before us today.

In what is probably the philosophical
point of difference with the government, the
role of this chamber is not to hold on to the
detail. It is to build the framework and then,
ironically, to let the market rip. It is ironic
because of some of the concerns expressed in
some January musings by the Prime Minis-
ter. But if this is a market based response we
need to believe in the efficiency of the mar-
et. We build the framework of the market,
but then we have to let it go. We cannot have
the soft or hard hand of politicians, the ex-
ecutive and ministers controlling a lot of the
discretionary issues about how that market
operates. I reiterate this point, because there
are an enormous number of market based
decisions that have a political element to
them at the moment that need over time, if
not now, to be given distance from the politi-
cal process.
Let us run through some of the market considerations that we are currently putting in the hands of government: the environmental objectives; the national emissions trajectory and targets, which are largely government decisions; reporting and compliance; the nature of Australian emissions units, Kyoto units and non-Kyoto units; auctioning; scheme caps; assistance; tax and accounting issues; household assistance and complementary measures; the Climate Change Action Fund; pricing, including fixed prices for a year; leakage; trade exposure; impacts of global influences and jurisdictions; new scientific findings, which are now to be determined through the political prism; scope and coverage of the scheme; fuel credits—who is going to make the unpopular decision in the future when fuel credits are dropped and fuel prices rise?—management of charges; ratification reviews; greenhouse gas definitions; greenhouse gas thresholds; emissions covered; obligatory transfer numbers; and liability transfer certificates. The list goes on and on. These cannot be left in the hands of politicians if this is going to be a truly efficient market response to a global problem. (Time expired)

Mr KATTER (Kennedy) (11.53 am)—I want to back up what the honourable member for New England and the Leader of the Opposition said earlier on. I was a minister for a long time in a state house, as I think you were, Mr Deputy Speaker Adams. If someone came up with a good idea—and I am on record on many occasions as saying, ‘That’s an idea that sounds good; we’ll have a look at it and get back to you on it’—as often as not, we would do it. The member of the opposition would get kudos out of it, but it was my duty to see that the best possible job could be done for the country. In this place, as the honourable member for Lyne has said on a number of occasions, it is all about playing party games. It is not what is good for the country at all; it is what is good for political interest. That is a very true thing to say. I am not saying that everyone did that in the Queensland parliament. They most certainly did not, but I am on record many times as saying that I could never see how it was to my detriment to take a good, sensible proposal and say, ‘Yes, we will do that.’ I thought it made me look good and made the others look good too. It would have made me look bad if I had not done it.

Having made that political point, I want to come back to the point that the Leader of the Opposition made about us being a big country. Yes, we are. In area we are almost as big as the United States, not all that much smaller than Brazil or China and bigger in available land than Russia or Canada. So we have this huge area of land. We have in that land only one-fifth as much carbon as other countries; so the name of the game for us should simply be putting the carbon back into the soil. We cannot control, and will never be able to control, the huge fires that occur in World Heritage areas and national parks. It is somebody else’s choice to make them into national parks and you will still have the problem there. But over the rest of Australia not only do we have an ability to stop the fires, which I think result in the lack of carbon in the Australian soils, but also we must have the ability to inject bacteria fertiliser which locks in the carbon. One per cent of the soil should be bacteria—dead or alive—and that bacteria is principally carbon, as all plant and animal life, including human beings, are hydrocarbons. Simply using bacteria fertiliser, which we are using very extensively now along the wet coastal plain in the sugar and banana industries, is very kind to the environment. There is no doubt about that. There is virtually no chemical run-off if you use that first. The farmers are doing it because it works out
infinitely better financially. So here is an option for the government.

As far as the science goes, I do not impugn in any way what the Parliamentary Secretary for Climate Change said but I do have to put on the record that the official government report, which is still out there, from the Australian Greenhouse Office—as I understand it, the office has now been abolished; it should have been abolished long ago—said that ethanol would marginally increase the CO2. Throughout the world there have been hundreds of studies done—and you can get all of the studies that are available via the United States Congressional Library, so this is the flow of information to the congressmen and senators in the United States—and every single one of those reports centres around a 27 per cent to 29 per cent benefit for the environment, as the honourable member for New England pointed out earlier on. We can take the position that every single one of those hundred-odd studies is wrong and that the United States Congressional Library is wrong and that the Greenhouse Office in Australia is right, but I do not think many people would come to that conclusion.

I am simply saying that the flow of information coming from the so-called scientific flow of information is very substandard. I hope that the government takes that into account and does its own scientific work. It is not difficult to ring up some of the institutes of marine science in Australia and find out, as I did, about the oceans—(Time expired)

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (11.59 am)—
Once again, I thank the member for Lyne, supported by the member for Kennedy, for putting forward these amendments. As was discussed in the debate on the Carbon Pollution Reduction Scheme Bill 2009 a short while ago, these amendments proposed by the member for Lyne would give power to set scheme caps under the CPRS to the Climate Change Regulatory Authority. For the same reasons I articulated on a previous occasion, the government decided in the white paper that scheme caps and gateways should be set in regulations and be subject to parliamentary scrutiny. The government took that decision on the basis that the scheme caps and gateways are enormously important—I think we have a position in common with the member for Lyne on that point—and they have potentially significant implications for the national economy. In the interests of accountability and the interests of elected representatives, we as a government believe it is important that the executive and the parliament, rather than an independent regulator, make decisions about scheme caps and gateways. For those reasons, the government is opposed to the amendments. But we are very respectful of the purposes for which they have been put forward by the member for Lyne. I move:

That the question be now put.
Question agreed to.
Original question negatived.
Bill agreed to.

Third Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.01 pm)—by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009

Second Reading

Debate resumed from 14 May, on motion by Mr Combet:

That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Third Reading
Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.02 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009
Second Reading
Debate resumed from 14 May, on motion by Mr Combet:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.03 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009
Second Reading
Debate resumed from 14 May, on motion by Mr Combet:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.04 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.
Thursday, 4 June 2009

EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009

Second Reading
Debate resumed from 14 May, on motion by Mr Combet:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.07 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009

Second Reading
Debate resumed from 14 May, on motion by Mr Combet:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.08 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009

Second Reading
Debate resumed from 28 May, on motion by Ms Macklin:

That this bill be now read a second time.

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.09 pm)—I wish to briefly address the Carbon Pollution Reduction Scheme Amendment (Household Assistance) Bill 2009. It is an extremely important bill and I think that in the general debate about the Carbon Pollution Reduction Scheme it has not received as much attention as it demands. The introduction of a carbon price in the economy, through the Carbon Pollution Reduction Scheme, is modelled to achieve an outcome that there is a carbon price and it will mean that there will be some increases in electricity prices. This bill has been formulated by the government as, and was foreshadowed in the white paper as being, a bill that would deliver significant household compensation to low- and middle-income earners in particular.

I wish to place on record the appreciation of the Minister for Climate Change and Water and my appreciation, in my capacity as the Parliamentary Secretary for Climate Change, for the work that the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, and her department have put into this bill. In fact, the Hon. Jenny Macklin was the minister who introduced this bill. As I said, it is an extremely important one because its purpose is to ensure that low- and middle-income households in particular are protected during the process of change envisaged by the introduction of the Carbon Pollution Reduction Scheme and compensated for any of the increases that will flow through as a consequence of having a carbon price in the economy.

Mr ROBB (Goldstein) (12.11 pm)—I want to clarify the position of the opposition on the Carbon Pollution Reduction Scheme Amendment (Household Assistance) Bill 2009. Of particular concern is the need for a
bill of this nature being put forward. One of the major design flaws of the scheme that is currently being voted upon in the House today is that it does involve massive churn and recycling of moneys back through the community. After one year of a $10 set price—so the first year subsequent to that—in the order of $13 billion will be collected as revenue by the government, which will result in something I think the community has been kept in the dark over; that is, electricity prices are likely to increase in the order of 30 to 40 per cent. The level of tax—and this scheme is effectively a tax—will in fact be equivalent to an increase in the GST from 10 to 12½ per cent. This will flow, like a GST, through every product and service in the community.

These are the sorts of issues that need to be on the table. People need to be informed about the consequences of the design of this scheme. It is designed, I think, with a revenue objective very much in mind, maximising the revenue to the government. The scheme, because of its design, will lead to a need for certain elements of the community to be compensated. That will involve massive administration and that will involve millions of cheques again being sent to individual Australians every year. This government is addicted to sending cheques, and you can see there are political reasons that sit behind that, not good policy reasons. If this scheme were working in tandem with the schemes of other countries around the world, the impact would not be anywhere near as severe and the requirement for compensation would not be anywhere near as severe. The issue of churn and recycling in the community and the cost of administration associated with that all amounts to poor policy and for that reason we are opposed to this bill.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (12.14 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Communications Committee

Health and Ageing Committee

Membership

The DEPUTY SPEAKER (Hon. DGH Adams)—Mr Speaker has received advice from the Chief Opposition Whip nominating members to be members of certain committees.

Mr BYRNE (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (12.15 pm)—by leave—I move:

That:

(1) Mr Irons be discharged from the Standing Committee on Communications and that, in his place, Ms Marino be appointed a member of the committee; and

(2) Mr Briggs be discharged from the Standing Committee on Health and Ageing and that, in his place, Mrs Gash be appointed a member of the committee.

Question agreed to.

TAX LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2009

Second Reading

Debate resumed from 28 May, on motion by Mr Bowen:

That this bill be now read a second time.

Mr ANTHONY SMITH (Casey) (12.16 pm)—The opposition is supporting the Tax
Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009. This is a housekeeping bill. For those in the public gallery, this is one of those bills presented every year which both sides of the House support. When there is legislation that the opposition does not support it always gets an airing but this is a housekeeping bill that is required to come forward to the House every year.

The bill ensures that the low-income threshold for the Medicare levy in particular is indexed to the consumer price index. That ensures that the threshold for those who do not pay the Medicare levy because they are low-income earners is increased in line with inflation. Because this is a tax bill it is required to come into the House every year. It has done so in the past and every year these thresholds have been increased as a result of increases in the CPI. I think, although I stand to be corrected, that there was one exception to that in the late nineties when the consumer price index was negative—that is, it did not increase during that year.

The bill also increases the low-income threshold for the Medicare levy surcharge. How that works, as my colleague Parliamentary Secretary Byrne knows, is that a high-income earner who does not have private insurance is required to pay the Medicare levy surcharge. In a couple or family situation if the partner earns below the low-income Medicare levy surcharge amount, which is identical to the other threshold I mentioned—the Medicare levy low-income threshold—that partner is not required to pay the surcharge. So, this is increased in line with inflation. Of course, there are a range of thresholds when you come to consider family circumstances—the number of children and the rest—and all of those are increased in line with the CPI in this bill.

As I said at the outset, this is a housekeeping bill. It is one that both sides of this House support, as a matter of good public policy, and it is subsequent to the introduction of Medicare back in the 1980s and the introduction of the Medicare levy surcharge itself in the 1990s. On behalf of the opposition I commend the bill to the House.

Ms HALL (Shortland) (12.19 pm)—I rise to speak on the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009. When I visit community groups and talk to schoolkids I am often asked questions about how the House works. People, including children, see a lot of conflict in the debates that feature on TV. When I tell them that there are quite a few pieces of legislation that pass through the House that have the support of both sides they are really quite surprised. This is one piece of legislation that fits into that category. The member for Casey quite eloquently described why it is supported by both sides. It is housekeeping legislation that really maintains the status quo. And that is very important for the efficient, effective working of Medicare.

Medicare works because it provides universal health care: it provides health care to all Australians. Those people who are on lower incomes and cannot afford to pay any levy are not charged a levy. That is what this legislation does—it ensures that those people will not be charged a levy. It is all about good health care for all Australians. Medicare provides access to health care for all Australians. Australians know that they can visit their doctor when they are sick. They know that they can access health care when they are ill and that their care is determined not by their ability to pay but by their need to obtain the health care in question.

I have just received a note with some very important information on it from the Parliamentary Secretary to the Prime Minister,
who is at the table. I have indicated to him an answer to that question. It is very important to this debate and it will determine the way the debate functions in the House. The legislation before us proposes to increase the Medicare levy low-income threshold for singles and families and the Medicare levy surcharge low-income threshold. In line with movements in the consumer price index the Medicare levy low-income threshold for pensioners below the age pension age will also be increased to ensure that individuals in this group do not incur a Medicare levy liability when they do not have a taxable income. The increase will apply for the 2008-09 income year and later income years.

When I meet with pensioners and other groups of people who receive a low income they argue, and I accept their argument, that when they were in the workforce they contributed by paying the levy and that they now need to rely on the fact that they can still access Medicare without having to pay costs they cannot afford. The Medicare levy is imposed on a resident’s entire taxable income at a flat rate of 1.5 per cent. However, and this is the important point, low-income earners are not liable for the Medicare levy, consistent with the progressive nature of the income tax system. I am all sure members of this House support the progressive income tax system that we have in Australia. I am most hopeful that all members of this House support Medicare.

It is very important to the people in the electorate of Shortland, particularly in the suburb of Belmont, that following the budget they will again be able to access Medicare services within Belmont. One of the very popular announcements in the budget was the reopening of a Medicare office in Belmont. The residents in the area have fought long and hard for this. The Medicare office was closed in 1997 by the Howard government, although it was in fact one of the busiest Medicare offices in the area. As I think I have mentioned quite a few times in my contribution to these debates, the Shortland electorate is a very old area and a lot of people do not have a high disposable income. There are quite a few people who are covered by the legislation we are debating here today.

The closure of that Medicare office created enormous pressure and obstacles for people. I have submitted to the parliament in the vicinity of 20,000 signatures to petitions from residents asking the government to reopen the office. I believe I have campaigned on reopening the Belmont Medicare office at every election in which I have stood for the federal parliament. The good news is that it will finally happen. The people who put those 20,000 signatures on the petitions will soon be able to travel to Belmont or walk around the corner to the Medicare office in Belmont instead of having to travel either to Charlestown or to Lake Haven on the Central Coast.

The closure of the Medicare office was an issue because of the number of elderly residents in the area, a number of whom hold a restricted licence. Whilst the bus service from Belmont to Charlestown is quite good, it can take up to an hour to travel that distance. Because of the low disposable incomes of people, they mostly needed to go straight from their doctor to the Medicare office to claim their refund in order to obtain the medicines their doctor had prescribed, and so this was an enormous issue within the electorate. Since the announcement that the Medicare office will reopen before January 2010, my office has been flooded with phone calls and I have received numerous emails from residents thanking the government for its commitment and for being mindful of their need for a Medicare office in Belmont. I cannot debate any legislation related to Medicare, particularly at this time, without putting that on the table. I am expressing the
thanks and the gratitude of the people of Belmont for the government’s care and commitment to them on a very important issue.

I will come back to the legislation that we are debating. The Medicare levy low-income threshold for individuals and families will be increased in line with the CPI, as I have already stated. Similar amendments have been announced in previous budgets and have always enjoyed bipartisan support. I will finish where I started by saying that people around Australia would be surprised at the number of pieces of legislation that pass this House with support from both sides. Ensuring that people on low incomes can access Medicare without having to pay a surcharge is one thing the House unites on unanimously.

Mr LINDSAY (Herbert) (12.30 pm)—I am hoping to get the support of the previous speaker, the member for Shortland, shortly in my contribution, but I would say to those who were listening to that speech about the reopening of a Medicare office in Belmont that Medicare offices are no longer needed, of course, because you can have your refunds done when you go to the doctor.

Ms Hall—It takes 48 hours.

Mr LINDSAY—I concede that, but you do not actually need a Medicare office any longer in Australia. I agree with her that Medicare provides all Australians with access to health care, and we on both sides of the parliament all support Medicare. Where I do need the support of the member for Shortland is in relation to the services provided under Medicare at the Townsville Hospital. Currently the Townsville Hospital has the highest number of people on a waiting list—but get this, Mr Deputy Speaker: they are on a waiting list, waiting to get on a waiting list at the hospital. How could that be?

The numbers are higher than at the Royal Brisbane and Women’s Hospital, for example. There are 21,451 people on the waiting list for specialist outpatient appointments—before they even get onto the elective surgery waiting list. That is disgraceful. Medicare has got to address that. Through the efforts of all of us in this parliament we have to make sure that Medicare understands that it is there to provide access to health care for all Australians in a timely way. Consider that a major, level 6 public hospital in Northern Australia has 21,451 people on a waiting list, waiting to get on a waiting list. That is not good service and it should not be allowed to continue. I plead with our health bureaucrats and I plead with the state government, which manages the Townsville Hospital, to address that issue.

Of course, I am very mindful that the current government gave a commitment 18 months ago that, if the public hospital system in Australia was not fixed within 18 months, the Commonwealth would take over the public hospital system. That 18 months will be up on 30 June—very shortly—and it will be interesting to see the response of the government.

Mr Perrett—that’s not actually what he said. We’ve got this thing called the Constitution.

Mr LINDSAY—Thank you. The member for Moreton is raising the Constitution. However, let us—

Mr Perrett interjecting—

Mr Ripoli interjecting—

The DEPUTY SPEAKER (Mr S Sidebottom)—Gentlemen! Thank you.

Mr LINDSAY—The member for Moreton is a great friend of mine, Mr Deputy Speaker, and I welcome his interjections.

Mr Ripoli interjecting—

Mr LINDSAY—Sorry. The member for Oxley is a great friend of mine as well, only the member for Moreton and I have more
hair than the member for Oxley. But I do ask my colleagues in the government to seriously think about whether the Australian government should be taking over the hospital system. It could not be worse than what is happening in Queensland at the moment. To have so many people in my community waiting on a waiting list to get on a waiting list I think speaks volumes on what needs to be done.

The Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009 is a routine matter which comes before the parliament on a continual basis. It is supported by both sides of the parliament and it is certainly well and truly supported by the Australian people. I will be voting for this bill.

Mr RIPOLL (Oxley) (12.34 pm)—Mr Deputy Speaker, thank you for the opportunity to speak on the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009. I note that the opposition will be supporting this bill. While the Liberal and National parties are supporting this bill and they say that it is just a procedural bill, which is correct, it also provides at its core a measure which is very important to low-income families, low-income individuals and those who are doing it toughest in the community.

There is no question that Labor is committed to Medicare as a philosophical approach to delivering universal health care to all Australians. Medicare is to ensure that the Australian community is confident that in this country at least we have a healthcare system which looks after everybody and does that in the best and most efficient way it can. I am, and I know the Labor government is, deeply committed to Medicare—we are the architects of Medicare—because of what it provides to working people and to everyone across the community. But we are also committed to private health care and private health insurance. Those two sectors combined provide for a very efficient system in Australia, which is the envy of the world.

I ask the opposition, the Liberal and National parties, to take a close look at the ways that in the past they have tried to damage or in some way get rid of Medicare. I know they would probably object to hearing that today, but that is the reality of what took place in the past. My view is that, on those issues, they have not changed. What changes is the rhetoric and what they put out to the community, but their ideology has not changed. So while this government remains committed not only to Medicare but also to private health insurance, to an efficient universal healthcare system which provides for all Australians, what we find on the other side at every opportunity is their opposition to any such good measures.

The Medicare levy low-income thresholds for individuals and families will be increased in line with movements in the CPI. This is very important in order to ensure that low-income families are not penalised for any increase in income they may have through a rise in the consumer price index. It is to make sure that those people are not denied having this measure apply to them. The obvious point to make is that the higher the threshold for low-income earners the more people are eligible to actually have the Medicare levy not apply to them under these measures. This is great news for a whole range of individuals across the community, in particular pensioners, and it is in line with the whole range of commitments we have made to low-income people and pensioners across the community.

Similar amendments have been announced in previous budgets. We have heard from opposition speakers that, in terms of making these annual adjustments, this bill is in line
with previous bills put to this parliament—except for one year where the CPI was actually negative and we therefore did not move to change it. I know that it will get the support of the other side.

As I said earlier, however, I have to note in this debate that I fought for many years in my community not only to save Medicare offices but to protect Medicare as an institution itself. For quite a long time there, it was the intent of the former government to actually destroy the Medicare that we know today. I do believe in progressive change, and I understand that we are moving away from the physical provision of Medicare offices to a more efficient system through Medicare provision points. That is the way of the future. I know that communities often do get upset about this if they do not quite fully understand. Whilst I would not advocate at any point that a community should lose a Medicare office—in fact, I would stand up in support of the retention of Medicare offices—I do understand that where new communities are developing, particularly in my electorate of Oxley, which is a growing community, we need to have these access points. And we have done that. This government has delivered those access points for people in a whole range of growth areas to make sure they are not penalised in any particular way when getting either the Medicare gap or some other payment that they are entitled to receive. They can use the phone or go to a pharmacy or some other community point and get reimbursed through electronic funds transfer into their accounts. This government will continue to support Medicare access points, Medicare offices and the broader system itself.

This bill proposes, as I mentioned earlier, to increase the Medicare levy low-income threshold for individuals and for families and, in particular, the Medicare levy surcharge provisions themselves. The increases are to ensure that low-income individuals and families will not continue to be required to pay the Medicare levy or surcharge. It would be an unfair and undesired outcome if that were not the case. These increases are in line with movements in the consumer price index. The amendments will apply to 2008-09 and later income years.

Just as a matter of background, the bill amends the Medicare Levy Act 1986 to raise the Medicare levy low-income threshold amounts and phase-in limits for individuals and families and for pensioners below the age pension age. The bill also amends the A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act 1999 to increase the Medicare levy surcharge low-income threshold as well. The increases in the thresholds and the phase-in limits are in line with increases in the consumer price index.

Medicare is partly funded by a levy on taxable income. I think everybody understands broadly how the system works and that they broadly understand its importance in terms of healthcare provision in this country. Medicare was first introduced in 1984. I am sure, Mr Deputy Speaker, you would remember it fondly—

The DEPUTY SPEAKER (Mr S Sidebottom)—Just!

Mr RIPOLL—as a key plank of a commitment that the then Labor government made. It is an example of one of those great legacy policies that have held us in great stead, just as we did with infrastructure and other things that freed up the economy under the Hawke and Keating years, improved productivity and competition and set the scene and the framework for the delivery of uninterrupted growth in this country for nearly 20 years. Those policies provided people with a level of prosperity that they have enjoyed for many, many years. I am always proud to re-
count those great events. In passing, I note that a number of opposition members have actually accredited that growth to those governments and the policies of the Hawke and Keating years.

When Medicare was first introduced in 1984 the levy was set at just one per cent of taxable income and there was a low-income threshold amount below which no levy was payable at all. In 1995 the Medicare levy was increased to its current level of 1.5 per cent of taxable income. That was to reflect a proper growth mechanism and a proper income stream to ensure that the government could afford to continue this very important scheme.

The Medicare levy surcharge is an additional one per cent surcharge on taxable income imposed on higher income earners who do not have private patient hospital insurance. Again, this is a fair measure both for high-income earners and for those who choose, for whatever reason, not to take out private cover. It is part of a suite of assurances to make certain that the Australian government can provide a long-term sustainable scheme for all Australians. The current taxable income thresholds above which the Medicare levy surcharge is payable are $70,000 for single income earners and $140,000 for couples and families. Again, this is a fair measure, and particularly so in the case of families where one income earner may be earning a substantial amount of income and the second partner may be earning just a very small amount of income. Contained within our scheme is an ability to ensure that only the high-income earner of that family, not the low-income partner in that relationship, actually pays the surcharge.

The Medicare levy and the Medicare levy surcharge only contribute to part of the total cost of Medicare. I am not sure it is always comprehended by everyone in the community or even in this place that it does not cover the costs of providing for the health care of Australians. In 2007-08, Medicare levy revenue was around $8 billion while the cost of Medicare itself for the same period was around $18.9 billion, which, as you can see, means there is a substantial shortfall of over $10 billion. So it is necessary that the government take all measures to ensure the sustainability of this essential scheme. It is essential that the government provides that the scheme can be maintained into the future for all Australians. I think that is something that everyone in this place does support and should support. We will certainly use every avenue and every policy measure open to us to meet our commitments in these areas.

Low-income earners are exempted from paying the Medicare levy and the Medicare levy surcharge. As I have already mentioned, phase-in limits apply equally to both low-income individuals and families. The taxable income levels below which no Medicare levy is payable at all are specified in the act of 1986. These levels are regularly adjusted via legislation in line with movements in the consumer price index—hence the bill we have before us today—and they apply across the board to everybody regardless of their circumstance, be they individuals, couples, families or pensioners above or below the age pension age.

The Medicare Levy Act 1986 also provides for a phasing in or shading out range, wherein the Medicare levy applies but at a reduced rate. This is to reflect a proper mechanism in order to ensure that there is not a drop-off which cuts in and out as an off-the-table type measure. For individuals with taxable incomes above the low-income threshold but below what is known as the phase-in limit, the Medicare levy is payable at a rate of 10 per cent of the amount over the low-income threshold. This is a good measure and a sensible measure to provide
some equity for people who always sit just on that threshold level and are penalised more greatly by just tripping over the line and having a net deficit through having that applied to them.

We have done a number of things since coming to government to ensure the sustainability of the Medicare system and the healthcare system in this country. Those areas range far too widely for me to cover exhaustively in the short time I have available, but I will touch on a few. Firstly, regarding preventative health care, there is an organisation in my electorate called Inala Primary Care. I declare some interest in that I am a board member of the organisation. I have spoken about them in the past, but I want to again put on the record the good work that they are doing. It is very important to note that a key area of long-term health is preventative health care. The more that the government invests in organisations, facilities and personnel that provide preventative health care the better off our health system and the health of all Australian citizens will be.

We live in an era when chronic or morbid obesity, cardiovascular diseases, diabetes and a range of other diseases afflict so many in the community that merely treating the symptoms and the final outcomes is just not good enough. It is a huge impost on our health system and the government needs to take a broader role in dealing with these issues. One of the best ways to do that is to invest in preventative health care. That is exactly what Inala Primary Care does in my electorate, and I commend the good work being done there.

As part of a broader suite of measures to modernise the Medicare Benefits Schedule, we need to recognise that there are advances in techniques and technology. That has enabled a number of medical procedures to be performed much more safely, quickly and efficiently today. This is something we should all applaud. It also means that they can be done at a lower cost, which does present some controversy regarding rebates, the Medicare Benefits Schedule and a range of other areas. However, this has not yet been reflected in how Medicare pays for these services. If we are to be realistic about the long-term sustainability of our Medicare system, then we need to apply the proper principles to those rebates and schemes, reflecting modern technology and better practices, experience, safety and efficiencies. I will not go into all of the details around that, but it does involve a reduction in certain rebates for certain procedures. Modernising a system is always difficult. People become comfortable with or reliant on existing systems and procedures, but we all need to change to embrace what in the end will be cost savings to the government. These savings can be reinvested in communities, preventative health care and a range of other areas that currently may not be on the schedules.

On the subject of the schedules of rebates, it is not as if the government does not take this very seriously or give it far-ranging application. There are some 5,800 procedures covered by Medicare, which reflects the complexity of health issues in the community. But we do not need any government to just sit on those and not review them or otherwise encourage change. That is exactly what the government has done. We have taken on a review of medical services listed on the Medicare Benefits Schedule and we have undertaken to evaluate the services under a number of criteria which include scientific evidence, clinical and pricing appropriateness and the extent to which technological advances have delivered efficiencies. That review process will commence on 1 January 2010.

New services are expected to be reviewed three years after being listed. That is a key
issue. There are new services continually being added to the list, creating a great service to the community but also a bigger burden to the costs of the Medicare system itself. The evaluation framework will be based on research, data analysis and consultation with stakeholders, and the savings that will be generated will help to address the increasing cost of the Medicare system itself. I do understand there is some criticism from the medical profession and lobby groups, such as the AMA, but we have made sure that they are involved in the process. We have made sure that they are a part of the process itself. To help manage these concerns, we will be inviting them and other consumer organisations to get involved in the design and the implementation of the new evaluation framework. This will be an important part of what Medicare and the rebate system on a number of procedures will actually look like in the future.

The background to this is quite simple. When you have 5,800 medical services currently listed on the MBS at a cost to taxpayers of over $13 billion per annum, you need to look at systems that will provide better efficiency and provide bang for the dollar for people seeking medical help. The average annual growth for the system is five per cent nominally per year. Currently, only one per cent of listed MBS items have been formally assessed for efficiency and cost effectiveness, which is obviously not good enough, and that needs to be addressed as well.

In conclusion, a lot has changed since the introduction of Medicare in 1984, but a lot has changed for the better. There have been some very positive improvements in people’s general health across the community, but we face many more challenges in the future. This bill delivers on ensuring that we do the simple things right, but it is part of a broader suite of bills, philosophies and changes that this government will bring to the parliament to ensure we have a sustainable Medicare system in the future.

Mr NEUMANN (Blair) (12.54 pm)—I am pleased to speak after the member for Oxley in support of the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009 because I was going to talk about one of his illustrious predecessors in the seat of Oxley, the Hon. Bill Hayden, who actually introduced Medibank, which was a tremendous initiative many years ago. The member for Oxley went through in detail what the changes are and how they will assist those on low and middle incomes so that they do not get a tax burden which would otherwise be imposed upon them if we did not make this legislative change. The member for Oxley talked about the fact that this legislation before the House proposes to increase the Medicare levy low-income thresholds for individuals and families in line with movements in the CPI. That is fair and just in all the circumstances. In respect of the Medicare levy surcharge provisions, the low-income threshold is also going to be increased in line with increases in the CPI so that low-income family members will continue not to be subject to the Medicare levy surcharge.

Although this bill before the House receives bipartisan support, it was not always the case when it came to Medicare. Medicare was once described famously—or should I say infamously—by the former Liberal Prime Minister John Howard as a rort. In fact, those on the opposite side of this chamber—and in the chamber down the road in Old Parliament House—and in the Senate consistently opposed health reform in this country. That is the reality. The Minister for Competition Policy and Consumer Affairs and Assistant Treasurer said in his second reading speech on 28 May this year:

Those on low incomes are among the most vulnerable Australians—particularly amid this
global recession—and the Rudd government is determined to make sure these Australians remain exempt from the Medicare levy.

The reality is that the coalition has always had a degree of ambivalence when it comes to health reform and has always had a degree of opposition when it comes to the universality of health care for all Australians. I have heard Medibank and Medicare described as universal in coverage, equitable in distribution of costs and administratively simple to manage—and those were the aspirations of it. But it is important for those who are listening to understand that when Labor governments bring in legislation that deals with universal health cover to help low- and middle-income families, and particularly legislation like this, we do not always receive bipartisan support from those who sit amongst the conservative establishment in this country.

The reality is that, when we first tried to bring in the kind of reform and change that would ensure that Australians universally received the kind of health care we expect and they expect in a decent and humane society, it was opposed steadfastly by the coalition. It was the Whitlam Labor government which brought forward a number of major initiatives with respect to health insurance. For example, the Health Insurance Bill 1973 was the main bill which established Medibank, and there were several accompanying bills. The Senate, controlled by those opposite, opposed it on three occasions—on 12 December 1973, 2 April 1974 and 18 July 1974. It took a double dissolution and a joint sitting of both houses on 7 August 1974, following that double dissolution, to ensure that we had Medibank in this country—which commenced on 1 July 1975. The Hon. Bill Hayden, the Minister for Social Security and the member for Oxley at the time, was the architect of Medibank. Medibank was the first step—a step that should not have been destroyed, gutted and nullified by the Fraser government. Bill Hayden deserves enormous credit for what he did in seeking to establish decent and humane health care across the country. He was opposed every step of the way by the coalition, the AMA and the medical establishment.

Former Liberal opposition leader Malcolm Fraser promised in the 1975 election to maintain Medibank, but he then opposed it and seemed, every step of the way, to do everything he possibly could to dismantle its universal and low-cost objectives. It took the election of a Labor government, the Hawke-Keating government, in 1983 to bring back that universality of care in Australia.

In February 1984, Medicare was introduced. The truth is that we do not always enjoy bipartisan support when it comes to healthcare reform in this country. We are seeing that in response to this budget. We have seen those opposite oppose so many changes in relation to health reform to make health care more just, equitable, efficient and cost-effective across the country. It is important for Australians who are listening to this speech to know that it is Labor governments who undertake health reform with certainty, with determination and with clarity.

The former health minister, Dr Neal Blewett, said in his second reading speech in September 1983 that the legislation to introduce Medicare was ‘a major social reform’ that would ‘embody a health insurance system that is simple, fair and affordable’. He also emphasised the ‘universalism of cover’ as being ‘desirable from an equity point of view’ and ‘in terms of efficiency and reduced administrative costs’. That is Labor’s goal, Labor’s aspiration and Labor’s determination. We have always believed that providing health care to Australians is an article of faith.
We strongly believe that funding our school systems, both private and public, is crucial not just for the productivity, economic development and wealth of the country but for social inclusion, social justice and social equity. We also believe that people—working families, individuals, pensioners and those who are doing it tough, including people in my electorate of Blair in South-East Queensland—should have affordable health care. Mothers and fathers should not have to determine whether they can afford to take their children to a doctor or a private hospital. In our decent and humane society, parents should not have to choose whether they take their children to see a doctor, an allied health professional; feed and cloth their children; or allow their children to engage in recreation, sporting and cultural activities in our country. Parents should not have to make that choice.

We should in this place provide universal healthcare coverage. We should do everything we can to ensure that the Medicare system is fair and equitable. That is why we are passing this legislation, and I am pleased that the coalition has given us bipartisan support. Not always do they support low- and middle-income earners. The truth is that at times when in government the coalition took steps that ensured that it was tough for low- and middle-income earners. They always seem to be on the side of the AMA, the big health insurance companies and those pillars of the establishment that want to oppose universal healthcare coverage. That is the reality.

In my electorate, in Ipswich, in the Lockyer Valley and in the Fassifern Valley, people expect that if their children are sick they can get coverage and they can take their children to a doctor or a hospital. That is why one of the first acts of the Rudd government upon its election—putting $1.6 billion into the health system—was so warmly welcomed in my electorate. Reduction of elective surgery lists and supporting public hospitals are good Labor principles. This legislation is typical of a Labor government that wants to care for low- and middle-income earners. In the circumstances, I commend the bill to the House.

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (1.04 pm)—in reply—I would like to thank all members who have contributed to this debate. The Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009 increases the Medicare levy low-income thresholds for individuals and families in line with increases in the consumer price index. The individual threshold amount is to be increased from $17,309 to $17,794. The family income threshold is to be increased from $29,207 to $30,025. The Medicare levy low-income threshold for pensioners below pension age is also increased to ensure that where these pensioners do not have a tax liability they do not have a Medicare levy liability. The low-income threshold and the Medicare levy surcharge provisions are similarly increased.

These changes ensure that low-income individuals and families will continue to be exempt from the Medicare levy or surcharge. The amendments to the Medicare levy low-income thresholds apply to the 2008-09 year of income and later years of income. Indexation of Medicare has enjoyed bipartisan support for a number of years, and I acknowledge the support of the opposition, as outlined by the member for Casey today. Full details of the measures in this bill are contained in the explanatory memorandum. I again thank those who have contributed and commend the bill to the House.

Question agreed to.

Bill read a second time.
Third Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (1.06 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

INTERNATIONAL MONETARY AGREEMENTS AMENDMENT (FINANCIAL ASSISTANCE) BILL 2009

Second Reading

Debate resumed from 28 May, on motion by Mr Bowen:

That this bill be now read a second time.

Mr HOCKEY (North Sydney (1.07 pm)—The International Monetary Agreements Amendment (Financial Assistance) Bill 2009—rather a mouthful—extends the current arrangements that we have with the International Monetary Fund to include the World Bank and the Asian Development Bank. Under this bill the Treasurer will be permitted, as he is now in relation to International Monetary Fund programs, to lend money or enter into currency swaps with a country where at least one other country or organisation has provided or intends to provide assistance to that country in connection with a World Bank or an Asian Development Bank program. The amendments are therefore closely based on provisions already in the act that cover the IMF.

The primary purpose of this bill is to allow Australia to enter into a loan with Indonesia for $1 billion. This was announced by the Prime Minister on 10 December last year. This $1 billion loan will form part of the World Bank led package to assist Indonesia through the current global economic downturn for the calendar years of 2009 and 2010. My understanding is that the loan has not been activated yet; it is a standby facility. However, it can be activated if certain criteria are met. The coalition support this legislation because we undertook similar activities in the past when we were in government. During the Asian financial crisis it was entirely appropriate to provide emergency assistance and support to our Asian neighbours during very difficult times. We did that in 1998 when we amended the International Monetary Agreements Act in response to the Asian financial crisis.

Economic stability in our region helps with political stability. That is why we need to take a responsible approach as a good regional neighbour, particularly with our closest neighbours. Indonesia—a country I have been to on a number of occasions—is a very important strategic friend of Australia and it is important that we undertake this sort of support. Of course, we do it not alone but in conjunction with international financial institutions such as the IMF, the World Bank and the Asian Development Bank. It is part of a coordinated approach.

Australia obviously has the capacity to do this. As a nation we are in reasonably good economic shape today—certainly very good shape compared with other nations—because when we entered the global financial crisis we had money in the bank, no net debt, surplus budgets and a low unemployment rate of around four per cent. It is easy to lend money to others in need when you yourself have a surplus of money. It is much harder if you are lending money and you need to borrow it yourself. I make the point that there is some irony in the fact that we are borrowing money to fund ourselves to lend money to other nations. Australians will understandably ask the question whether it is a good idea for us to be in the business of borrowing money to fund our day-to-day activities, which is what the Rudd government is doing, and at the same time lend money offshore—whether it be $1 billion through this initiative.
to Indonesia or $10 billion to the IMF potentially going to eastern Europe. Australians are rightfully entitled to ask the question: are we now in the business of borrowing money to lend money?

After all, didn’t the whole global financial crisis start with individuals borrowing too much money and with banks lending too much money? Isn’t that how it all started? Now it is simply the case that governments have become substitutes for the private sector in borrowing lots of money. Ultimately, whether it be the private sector or the public sector, if you are borrowing money someone has to pay it off. Let us be frank about it: it all comes down to the same person—the taxpayer. Whether it be a taxpayer repaying a debt to the bank or a taxpayer paying increased taxes for fewer services to the government, if money is being borrowed it has to be repaid. When we as a nation are in the position of borrowing money to lend to other countries, we would want to be absolutely sure that the money that is being lent is for prudent and responsible economic and even political reasons. We believe providing financial support by providing this facility to Indonesia is prudent.

I am going to take the opportunity in the debate on this bill to talk a little about debt. I do so because the Rudd government yesterday in declaring ‘mission accomplished’ on the economic downturn were effectively saying that there is no recession and there is no economic downturn of the massive scale that is going to take Australia into negative territory. What they are saying is that it was prudent to borrow money to hand out cash to people in the community. As we dig into the national accounts figures from yesterday, we start to peel the onion and discover what really is behind the spin of the Rudd government.

Obviously we have identified, as have many economists, the point that the underlying data is of great concern. A number of states in Australia, if you apply the broader definition of recession, are in recession. What we can identify is that the very significant collapse in imports in the last quarter and the marginal increase in exports delivered a massive boost to GDP of 2.2 per cent, which I might add is the largest contribution, as I understand it, quoting from market economists, of any export figure to GDP in a quarter.

Mr Kerr—I rise on a point of order, Madam Deputy Speaker. I enjoy doing what Joe does occasionally, and that is taking a point of order on relevance. The bill, as is described, is not a matter to which these very general remarks should go. Might I also say he falsely represents the statements of the government as though ‘mission accomplished’ was stated by the government. We made it very plain that the economic circumstances remain troubling for Australia.

The DEPUTY SPEAKER (Ms JA Saffin)—Order! The honourable member for North Sydney has the call.

Mr HOCKEY—Thank you, Madam Deputy Speaker. The most revealing statistic was that prior to the release of the current account data on Tuesday, only two of 20 economists surveyed by Reuters thought it was going to be in positive territory. After the data came out on Tuesday, that surged to 13 out of 20 thinking it was going to be a positive quarter. So that alone illustrates the significance of the net export data in the national accounts yesterday.

But also what was revealing in the national accounts yesterday was the ongoing relative strength—relative strength; I do not want to be misquoted again by the Treasurer or the Prime Minister—of the terms of trade. There is a graph in the national accounts,
from memory on page 9, but I stand to be corrected, which indicates that the terms of trade that currently exist are more favourable to Australia than they were even when the coalition lost the election in 2007. So the mining boom might have been part of the record of the Howard government, but the terms of trade continued to improve after the election of the Rudd government in favour of the Rudd government. What we now know is that all those benefits have gone because the Rudd government has gone on a spending spree on a scale that we have never seen before—29 per cent of GDP.

Mr HOCKEY—I am talking about the state of the budget, Madam Deputy Speaker, and this is a bill that goes to the heart of the budget—it is a financial assistance bill.

Mr HOCKEY—I am happy to do that, and we will apply the precedent to every other bill debated in this place.

Mr Kerr—On a point of order, Madam Deputy Speaker: this bill, through its schedules, implements agreements with the IMF for assistance in particular areas, and the shadow minister has indicated they agree with that. These broad comments have nothing to do with the legislation. It is simply a misuse of parliamentary time.

Mr HOCKEY—This is a financial assistance bill. You guys know how to spend money—29 per cent of GDP this year. You are the biggest spending government in Australia’s history. The Rudd Labor government is the biggest spending government in modern Australian history—29 per cent of GDP. No wonder the Parliamentary Secretary for Pacific Island Affairs, who is at the table, does not want to talk about expenditure. This is a financial assistance bill.

The DEPUTY SPEAKER—Order! The honourable member will address the bill.

Mr HOCKEY—I am addressing the bill.

Mr Kerr—You’re not; you’re nowhere near the bill.

The DEPUTY SPEAKER—I do not need help from my right-hand side, thank you.

Mr HOCKEY—Madam Deputy Speaker, this goes to the capacity of Australia to be in the business of lending money to other nations. If we do not have our own public finances in check, if we are dealing with the biggest spending government in modern Australian history and the biggest borrowing government in modern Australian history, that cuts to the chase of whether you have the capacity to lend other countries money. It is easy to say, ‘Lend other countries money.’ You just borrow money to lend other countries money. The interesting thing is that your capacity to be generous at the expense of Australian taxpayers is severely reduced when this government is in the business of borrowing for day-to-day purposes in Australia.

I would not suggest for a second—and various people have tried to verbal the opposition on this—that it is unnecessary as of today to borrow some money. Our argument with the government is about, firstly, whether the government should be borrowing so much money—$315 billion gross—and, secondly, whether it is money well spent. Is it well targeted and well spent? I say to the House and to the Australian people, the Rudd government has announced new
additional expenditure items to the tune of $10 million an hour since the election.

Mr Kerr—Madam Deputy Speaker, on a further point of order: it would be relevant to this bill if the shadow minister was saying that the expenditure was neither targeted nor well spent, but he is not. He is supporting this legislation. The general remarks are not relevant to this legislation.

The DEPUTY SPEAKER—The honourable member for North Sydney has the call.

Dr Stone—Madam Deputy Speaker, on the point of order: the point was being debated; it simply was not being put. It is time-wasting.

The DEPUTY SPEAKER—The honourable member for Murray, I know what is debate. The member for North Sydney has the call.

Mr HOCKEY—Thank you, Madam Deputy Speaker. I am happy to take up the whole half-hour if the member continues with this. I make the point that it is the Rudd government’s new spending initiatives of $10 million an hour from the Prime Minister who claimed before the election that he was a fiscal conservative. There are $124 billion new and additional spending initiatives since the election of the Rudd government. The Treasurer is fond of saying that we have had a massive collapse in revenue. It is true; there has been a significant collapse in revenue. But if you look at the estimated net debt of $188 billion, $124 billion of new spending makes up a big chunk of it. Of course there have been revenue falls. Even in this budget for the current financial year there would be a very small deficit as a result of the estimated revenue collapse. What has made the hole so deep is the level of expenditure by the Rudd government.

They will claim that they have created jobs. They had heroic assumptions about the first cash splash; they said it would create, from memory, 77,000 jobs. Where do they get these numbers? It is like the Treasurer saying that he has been advised that without that cash splash there would not have been such a significant increase, or marginal increase as it turned out, in household expenditure in the national accounts yesterday. We are going to test those figures. Whenever the Treasurer says, ‘Treasury tells me,’ let me say that we want to know what the assumptions are. We want to know what the justification is for the assertion. Some people in the gallery will just take the assertion as fact, but we want to know what the assertion is based on. Did Treasury, in fact, claim that there was a 0.6 per cent contribution as a direct result of the cash splash before Christmas? I am sure that in the interests of transparency the Treasurer will release all of that information.

In relation to the budget itself, because you have to raise revenue, when we proposed a small increase in the cost of cigarettes to offset the proposed broken promise by the Rudd government on private health insurance, the Treasurer released estimates from Treasury—

The DEPUTY SPEAKER—Order! The honourable member for North Sydney, I have been very indulgent. It is a wide-ranging debate. Could you turn your attention to the International Monetary Agreements Amendment (Financial Assistance) Bill 2009?

Mr HOCKEY—Okay. I understand they smoke cigarettes overseas, Madam Deputy Speaker, and they smoke in Australia as well. In relation to smoking in Australia we proposed a marginal increase in the excise on cigarettes. What does the Treasurer do? He releases Treasury assumptions that go out 10 years. He does not advise the public that Treasury’s figures have been out by $1 billion in the last few years on cigarette excise.
Mr Kerr—Madam Deputy Speaker, I raise a point of order on relevance. This really is contemptuous of you and of the parliament. The shadow minister has been Leader of the House and shadow leader in many circumstances and he would know that this is unparliamentary, that this is a narrow bill and he is raising matters of absolutely no relevance to it.

The DEPUTY SPEAKER—The shadow Treasurer will please continue but should address his remarks to the bill. I have been very indulgent, as the House is indulgent with wide-ranging debate.

Mr HOCKEY—Madam Deputy Speaker, it comes down to the credibility of the assumptions in the budget and it comes down to the fact of whether Australia is in a position to borrow money to lend it to other countries and what the cost is to our budget. If that is not relevant, Madam Deputy Speaker, it is your call. But it is certainly relevant to the taxpayers out there who are paying for the debt by the Rudd government. That debt, which goes out to 2022 according to the Prime Minister, is based on heroic assumptions in the budget that tend to be a rather moving feast for obvious reasons, which will become more apparent over the next few days.

I think what needs to be recognised is that ultimately we have to be a good neighbour and we have to be a good friend. It is in the national interest to have global economic stability, but the political tactic of the Rudd government has always been to talk out of both sides of their mouth. On the one hand they want to scare people about how bad it really is offshore, therefore ignoring the basic and fundamental stability of the Australian economy. On the other hand they want to ride in on a white horse claiming that only thanks to the Rudd government is Australia able to withstand this global onslaught. They truly ignore the significant state, the positive state, of the Australian economy that they inherited. They ignore the fact that they had no net debt. They ignore the fact that the budget was in surplus. They ignore the fact that unemployment was at four per cent. They ignore the fact that even after their election the terms of trade were more favourable to them than they ever were to the Howard government. They ignore all of that. In that frame of mind they are running a dual line.

We recall the Prime Minister saying on, I think, 12 October last year, ‘It is going to be bad; really bad.’ They were not optimistic words from the Prime Minister; they were scary words from the Prime Minister. He was scaring consumers into not spending and scaring business into pulling back on investment and employment. In relation to business, it worked. There is no doubt that the household sector has gone out and spent some money—no doubt about that. The underlying concern is that the business sector has pulled back dramatically. Imports are not down because there are fewer LG wide-screen flat panel TVs coming into Australia—even though that may be the case. Imports are down because business is not importing the machinery that is going to create the jobs and generate the exports tomorrow. Business is contracting. Business is the engine room of the Australian economy, and business is contracting according to the national accounts from yesterday.

Even the data that came out earlier today provides evidence that business investment is flat or has decreased. That is a concern, because they are tomorrow’s jobs, tomorrow’s exports and tomorrow’s wealth creation. Yet the government have declared that it is mission accomplished, after they managed to spend a truckload of money. They were very fortunate—indeed, Australia was fortunate, thankfully—to get very favourable terms of
trade and very favourable data on net exports, which fed into the national accounts yesterday.

That very favourable data on net exports is closely linked to the fact that the Australian dollar had plunged so low in a short period of time. It is also related to the fact that Japan still needs our coal to meet its domestic energy needs. There is a consensus view that China has been hoarding resources, in part in anticipation of the huge impact of their domestic stimulus packages. We know that there are very significant negotiations currently underway between Australian miners of iron ore and also coal and the Chinese government. The Australian based resources companies have obviously had to negotiate significantly lower prices in the last few weeks than they would have expected, but they are still reasonably good prices compared to a few years ago. But the Chinese are certainly sending the very clear message that they expect to pay far less than some of the other nations. That will ultimately have a significant impact on further contributions of net exports to the national accounts.

It is a good thing that Australia is helping out our neighbours. We do that in many ways. There is bipartisan agreement that we should provide through this bill a facility of up to $1 billion to Indonesia. What we all need to be sure of is that any money that we lend, be it through the ADB, the World Bank or the IMF, is well spent and is not influenced in any jurisdiction by corrupt practices or that the quality standards of projects are less than what we would reasonably expect. Therefore, we support this bill in good faith. We remind all Australians that only for so long can Australia go down the path of borrowing money to lend money to other countries.

Mr ZAPPIA (Makin) (1.34 pm)—I welcome the opportunity to speak in support of the International Monetary Agreements Amendment (Financial Assistance) Bill 2009. I will confine most of my remarks to the bill, but before I do, having listened to the member for North Sydney, I want to say that here we have another clear example of the coalition again simply talking down the Australian economy. They simply cannot accept that, as a result of the prudent management of the Australian economy by the Rudd government, Australia is in a much better position to withstand the global economic recession than just about any of the other 30 OECD countries. We are not out of the woods as yet. Contrary to what the member for North Sydney said, this side of the House have never said that it is mission accomplished. We are not out of the woods yet, but we did see in the last quarter 0.4 per cent growth in GDP in this country, growth that is a result of a strategy that is protecting Australian jobs while investing in nation-building infrastructure for the future.

I wish to speak about at length the substance of this bill. The purpose of this bill is to simplify the process for Australia to accept agreed amendments to the articles of the International Monetary Fund and the International Bank for Reconstruction and Development, commonly known as the World Bank. This bill amends the International Monetary Agreements Act 1947 to establish a framework for Australia to provide financial assistance to a country in support of World Bank or Asian Development Bank programs.

The International Monetary Agreements Act already provides such a framework for assistance provided to a country in support of International Monetary Fund programs. The International Monetary Agreements Act 1947 established Australia’s membership of the IMF and the World Bank. Under the current legislation, any amendment to the fund and bank agreements requires an international
monetary agreement act in the Australian parliament. This bill will alter the definitions of the articles of agreement of the IMF and the World Bank to include any amendments of the relevant articles of agreement that enter into force for Australia without the need for further legislative changes.

The IMF and the World Bank were conceived at the United Nations Monetary and Financial Conference, also known as the Bretton Woods conference, held in Bretton Woods, New Hampshire, in the USA, in July 1944. Both organisations were founded with the intention of managing the global economy to prevent a repeat of the global financial economic meltdown and subsequent Great Depression of the 1920s and 1930s. The intention of the World Bank was the reconstruction of postwar Europe. The intention of the IMF was to manage a system of fixed exchange rates to facilitate world trade and economic growth. Following the remarkable reconstruction and economic recovery of Europe in the years following World War II, the World Bank’s focus shifted towards funding development and poverty reduction in Africa, in Asia and later in eastern Europe. From the 1970s onwards most countries moved from fixed exchange rates to setting their own exchange rates, reducing the need for the IMF to manage the exchange rates system. The IMF’s role then shifted to assisting countries experiencing a balance of payments crisis, such as was seen during the Latin American debt crisis of the 1980s and the Asian financial crisis of the late 1990s.

Crucially, in recent years both the IMF and the World Bank have put reducing poverty at the forefront of their work, and this is a subject I will return to later in my speech. In addition to reducing poverty, climate change has been given greater prominence in the policies of both the IMF and the World Bank, because it is the poorest countries of the world that will be affected first and most dramatically by climate change. It is timely that we are now discussing the changing roles of these international financial institutions. The world is experiencing its greatest economic crisis since the Great Depression. This global crisis has had a very significant impact on developing countries, particularly on their financial sectors and their government’s ability to access credit. The IMF and the World Bank will play crucial roles in the recovery of the world economy, particularly in developing nations.

I refer to the specific action that this bill addresses. In December 2008 the Prime Minister announced that Australia would provide $1 billion to Indonesia as a stand-by loan—I repeat, as a stand-by loan—to help mitigate the effects of the global economic crisis. This loan is required not because of bad policy or problems with Indonesia’s economy but because the global economic recession has seen financial markets effectively close to countries like Indonesia. This stand-by loan is another step in the strong relationship between Australia and Indonesia. The focus on our nearest neighbour as a trading partner and a regional ally was driven by Paul Keating during his time as Prime Minister and continued under the previous government, which in November 1997 issued a similar stand-by loan to Indonesia to assist during the Asian financial crisis. Given that the Labor Party in opposition supported the then government’s loan in 1997, I understand and welcome the bipartisan support for the loan proposed in this bill. Australia’s relationship with a stable and prosperous Indonesia has numerous benefits beyond the economic, as we cooperate in areas such as security, people smuggling and combating terrorism. The changes in this bill will allow Australia to provide a loan to Indonesia if needed by mid-July 2009. This demonstrates the Rudd government’s willingness to act
decisively to tackle the economic crisis at home, in the region and internationally.

The World Bank estimates that in 2009 an additional 55 million people will be living on less than US$1.25 per day as a result of the global economic crisis. After strong growth in recent years, the global economic crisis has had a devastating impact in developing countries, resulting in a severe slowdown in economic growth; slowing exports, particularly in the commodities sector, which is such an important source of foreign exchange and tax income for developing countries; limited access to finance, which is what this bill is all about; reduction in private investment; and worsening of government budget positions. In the same way that Australia faces a $210 billion tax revenue shortfall because of the global crisis, developing countries are finding similar shortfalls in their own budgets. For the same reasons, they will have to borrow offshore.

It is important that Australia is a good global citizen and does what it can to assist countries less fortunate than ours. The Rudd government has taken steps to support developing countries during this global economic crisis. At the recent G20 leaders summit in London, the Prime Minister and other world leaders agreed on a range of measures to boost the IMF, the World Bank and multilateral institutions such as the Asian Development Bank to help developing nations through the global economic crisis. These measures included an additional $500 billion in funding for the IMF, a trebling of its resources; $100 billion for various development banks around the world, such as the African Development Bank and the Philippines based Asian Development Bank in our region; $250 billion by way of trade finance to continue to support global trade; and an additional $250 billion to support global liquidity. Prime Minister Rudd described the IMF as the ‘global financial policeman’, and these additional resources allow the IMF to fulfil this role and support economies around the world.

In addition to the successes of the G20, Australia’s aid budget was increased from 0.33 per cent to 0.34 per cent of gross national income in 2009—working towards a 2015 target of 0.5 per cent. Despite a $210 billion shortfall in taxation revenue, the government has chosen to increase its aid budget, keeping the promise made prior to the 2007 election. There have been some significant changes in the countries where this aid budget is targeted. In his speech celebrating Africa Day on Monday, 25 May, the Minister for Foreign Affairs, Stephen Smith, noted that Australia had increased its aid to Africa by 40 per cent in recent budgets. According to the United Nations, of the 50 least developed countries in the world, 34 are in Africa. A further 14 are in the Asia-Pacific region. It is in these two regions—Africa and the Asia-Pacific—where Australia’s aid budget is now focused, ensuring that the assistance is targeted at those countries most in need.

I take a moment to speak about Australia’s increased support for Africa, particularly for those 34 African nations that are amongst the world’s 50 least developed. Of these least developed nations, almost 50 per cent of the population lives on US$1 per day. Only 58 per cent of the population in these countries has access to clean water. Nearly 140 million people in these countries live in poor housing conditions, often referred to as slums. In recent years these least developed countries have seen debt relief for past government loans, an increase in foreign investment, an increase in export income and positive trends in health and education, as some countries are on course to meet their Millennium Development Goals targets. In 2004, the 50 least developed countries recorded an average economic growth rate of six per cent—
their best result for 40 years. Given the recent positive trends in these countries, it is important that the Australian government and international institutions, such as the IMF and the World Bank, work to support developing countries during this global economic crisis. It would be a tragedy if the progress of recent years was lost. The 40 per cent increase in Australia’s aid to Africa announced in the recent budget is just one of a range of measures that are strengthening Australia’s relationship with Africa.

I would like to elaborate on the very important point the foreign minister made regarding Australia’s future relationship with Africa, and using our ‘experience and expertise’ to make a ‘unique and positive’ contribution. There are many similarities between Australia and developing countries within Africa. Many of these countries, like Australia, are rich in natural resources. The challenges their governments face are the same as our own in working to ensure that the proceeds of these natural resources benefit as many people as possible and build the country’s long-term future. Like Australia, many developing countries have strong agricultural sectors that provide export income to drive economic growth. African farmers encounter the same issues on the global market that Australian farmers do, such as government subsidies and restricted market access. The Australian government is working, through the Minister for Trade, Simon Crean, to free up market access and reduce agricultural subsidies in areas such as the USA, Japan and the European Union. This will benefit not only Australia’s agricultural sector but also farmers in all developing countries.

There are many people of African descent within my electorate of Makin. They come from countries such as Somalia, Sudan, Liberia and Ethiopia. The increase in the number of people from Africa who migrate to, visit or study in Australia is further evidence of the strengthening relationship between Australia and Africa. I take this opportunity to mention the work being done by the Uniting Church in Modbury, in the electorate of Makin, to build bridges with people from the African communities. Every Tuesday the Modbury Uniting Church hosts their African Women’s Day. This provides a safe place for refugees and new migrants from Africa to meet in a non-threatening environment. The day has been expanded to include the teaching of skills such as sewing, computing and English language conversation. The church recently invited members of the South Australia Police to attend African Women’s Day, which allowed the many police men and women who attended to further build relationships with the African community. It was most fitting when recently the Modbury Uniting Church was honoured for its work with African Women’s Day by receiving a certificate of appreciation from the Premier of South Australia. This recognition is much deserved, and I congratulate Reverend Tony Goodluck, Pat Thomas and Wendy Sinnott from the church on this honour. Regrettably, the church hall that is used for these activities was the subject to an arson attack only about a week ago, causing extensive damage.

The IMF has been criticised in the past, particularly for some of the conditions attached to the support packages it provides to developing countries. The IMF has taken steps in recent years to make its support packages more transparent and tailored to a country’s specific needs. The greater flexibility in loan conditions for both inflation and fiscal policy are further evidence of this reform process. I also welcomed the IMF’s plan, advocated at the G20 by the Prime Minister, to reform its quota system of governance in 2011. This will see nations such as China play a much more significant role in the fund’s direction and administration, and address the criticisms in the past that the
fund is not sufficiently representative of the developing world. The renewed focus of both the IMF and World Bank on reducing poverty and combating climate change demonstrates that, despite past criticisms, both organisations are now focused on achieving the stated target of the United Nations Millennium Development Goals.

Although this bill relates to funding for people outside of Australia, there is a deep passion for this issue within Australia and certainly within my own electorate of Makin. Since being elected, I have been lobbied on numerous occasions by people within my electorate about Australia increasing its aid to Third World countries, but I want to share one particular experience. On 30 March this year I attended a special assembly at King’s Baptist Grammar School in Wynn Vale. The purpose of the assembly was to present me with hundreds of cards the schoolchildren had made relating to global poverty and to ask me to present them to the Prime Minister. The cards were the culmination of projects aimed at raising awareness among the children of King’s Baptist Grammar School of the plight of their counterparts in developing nations. I was pleased to attend the assembly and to speak about world aid with students. And it was my pleasure to be able to pass the cards on to the Prime Minister’s office.

This bill continues Australia’s role as a leader in supporting developing nations worldwide, particularly in Africa and our own Asia-Pacific region. The bill allows the Australian government to fulfil our international obligations in this time of crisis, and I commend the bill to the House.

Mr NEUMANN (Blair) (1.51 pm)—I rise to speak in support of the International Monetary Agreements Amendment (Financial Assistance) Bill 2009. I listened in silence to the contribution from the member for North Sydney, which was characteristic of all we saw about the Howard coalition government—and he was a senior member of the government—sloppy, slothful, lazy and lethargic. It was not addressing the bill before the House; it was in relation to—

Dr Stone—Madam Deputy Speaker, I rise on a point of order: that language was inappropriate and unparliamentary and I ask the member to withdraw.

The DEPUTY SPEAKER (Ms AE Burke)—The member will resume her seat. The member for Blair has the call.

Mr NEUMANN—It was not addressing the bill at all. It was all right to come in here yesterday and make speeches about the national accounts, but the bill before the House deals with a very important matter. It deals with issues concerning our relationship with Indonesia, a country to our north of about 225 million people. Our relationship with Indonesia is simply vital, not just for our national security but also for our future prosperity. The member for North Sydney hardly mentioned that fact.

The Howard government was involved in this process of helping Indonesia as well. We are doing what we need to do as a good neighbour. One of the greatest stories in literature is the story of the Good Samaritan. It is a great story about helping those in need. The priest goes past, not helping the poor fellow who has been injured. But someone who has no relationship with the injured fellow’s culture or religion goes past and helps him when he is in need. We have an obligation, because we are part of a common humanity and a common world, to help those in need.

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We should aspire to the Millennium Development Goals. We should do everything we can to help our neighbours. We do that in the South Pacific. If our neighbours are in need in South-East Asia, we should support them. If our neighbours are in need in Africa,
we should support them. We are a First World country and we aspire to be a country that helps people and sets an example in the fields of sport, culture, economics and political development and democracy. If we are a country like that, we should and do have an obligation to support our neighbours in their hour of need.

In December 2008, the Prime Minister announced that Australia would provide US$1 billion to Indonesia as a stand-by loan to help ameliorate the effects of the global financial crisis should Indonesia need it. This bill before the House fulfils that commitment. The bill appropriates funds required for such a loan or currency swap agreement. In mid-July, Indonesia requested that a loan arrangement be put in place as soon as possible to boost market confidence in their economy and particularly in their financial sector.

The Howard coalition government did these sorts of things in the past. It entered into three bilateral stand-by loans during the Asian financial crisis—US$1 billion to help Indonesia in November 1997, US$1 billion to help Thailand in August 1997 and US$1 billion to South Korea in December 1997. The Howard coalition government did this, and I give them credit for it. That was the right thing to do in the circumstances, and we supported it. That is the reality. The Howard government did this when our neighbours were in need during times of financial crisis, and we supported it. We are, under the auspices of the World Bank, making a loan agreement. It includes contributions from other bilateral and multilateral partners, among them Japan and the Asian Development Bank. We are responding when our neighbour asks for it. What would we do if our next-door neighbour, our friend down the road or someone in our suburb or city asked for help? Would we turn our backs? We should not.

The importance of economic growth and stability in Indonesia cannot be discounted. It is simply vital. It is crucial, in the circumstances, to do this. The member for Higgins, the former Treasurer, said in this House on 25 November 1997:

This government has made its commitment to the region as a good regional neighbour, and also because of our commitment to Australian growth and Australian jobs.

That was in the circumstances where they gave money to South-East Asia. We need to do this because of our relationship with Indonesia. We cooperate in many practical ways on international issues such as counter-terrorism, illegal fishing, people smuggling, climate change and interfaith dialogue. Security cooperation is enhanced by the Lombok Treaty, which provides a unique treaty framework for addressing traditional and non-traditional security challenges.

We have a very healthy trade and economic relationship with Indonesia. Our two-way trade in 2007 was worth $10.3 billion and two-way investment around $3.8 billion. As a country, Indonesia is extremely important to us when it comes to our economic development and the security of our people. Indonesia is a fledgling democracy, and if you go there you will see that the people of Indonesia take their democratic rights very seriously. They have campaign flags on their motorcycles, bikes and houses and proudly show which side of the political divide they support. You can tell which side they support by the colours of the flags, the banners and the posters.

We should support Indonesia and its democracy. We never want it to go back to the dark days of authoritarianism. We have supported them because they play an important role in our society as well. There are about 15,000 Indonesian students enrolled in educational institutions here, and they play an...
important role. If we want students from Indonesia to go back to their country and take up positions of leadership in the economy, in sport, in culture and in politics, it is important that we also deal with them and educate them. They make an important contribution to both their country and our economic development as they pay their way in our universities.

People from our Institute of Sport assist them with their athletics team and its aspirations to be the leading nation in the Asian games. They have slipped back in the last few years, but they aspire to be the best they can, particularly in the area of athletics. Compared to some of their neighbours they are excellent at athletics, but they aspire to be better in the areas of soccer, badminton, weightlifting and other sports as well.

We have also entered into a $2.5 billion, five-year development partnership with Indonesia. Throughout our relationship with Indonesia, we have supported economic development cooperation. Our interfaith dialogue, between Christian and Muslim communities, is important.

We have also signed a joint statement on climate change. We are helping them with the reafforestation and the challenges in central Kalimantan and also the challenges that they face with the decline in the number of orangutans in central Kalimantan. In the circumstances we are helping them also with their primary schools and their education funding. The Speaker and I have visited schools in Indonesia to see and discuss the great work that people there are doing. And it is not just in the schools—we are trying also to undertake reafforestation in central Kalimantan. This is important in terms of the challenges of climate change.

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

MINISTERIAL ARRANGEMENTS

Mr RUDD (Griffith—Prime Minister) (2.00 pm)—Mr Speaker, I inform the House that the member for Hunter has tendered his resignation to me as Minister for Defence. In question time today the Attorney-General will answer questions in relation to defence matters.

Mr Speaker, I inform the House that the Minister for Home Affairs will be absent from question time today as he is leading a government delegation to Indonesia to discuss our strengthened border protection measures. The Attorney-General will answer questions on his behalf.

The Minister for Sport and Minister for Youth is absent from question time today. She is attending the Kimberley Indigenous Youth Forum in Broome. The Minister for Health and Ageing will answer questions regarding sport and the Deputy Prime Minister will answer questions regarding youth on her behalf.

CHINA

Mr RUDD (Griffith—Prime Minister) (2.01 pm)—On indulgence: on 4 June 1989 a long-running demonstration in Tiananmen Square in Beijing had a tragic end. Students and other citizens in Beijing and other cities had been demonstrating for weeks to honour former leader Hu Yaobang and to push for more openness in China and for political reform. China security forces entered the city and the square to force an end to that protest.

We do not know how many people died in Beijing that day. It was an event which affected the entire world and affected all Australians. The Australian position on the tragic events surrounding 4 June 1989 was made clear at that time and the Australian parlia-
ment expressed its outrage at what had happened and condemned ongoing repression of those who had participated in it. Our views have not changed. I note that the Secretary of State, Hillary Clinton, has said in a statement that a public accounting of the victims of 4 June 1989 would help China heal and learn. I support the Secretary of State’s comments.

We recognise that there has been change in China in the past 20 years. The cities of China have been transformed as China has performed its economic miracle, an economic miracle of great consequence to the global economy as well as to the people of China itself. The life of the average person in China would be unrecognisable to someone from the 1980s. We recognise the advances made since that time in a number of areas, including economic and social developments as well as positive steps in terms of the rule of law and political rights. Of course, in our view there is considerable room still for further progress.

The protesters at the time were calling for less corruption, greater media freedom and greater openness in government, and these of course remain challenges with which the Chinese government today is grappling. It remains the Australian government’s view that it is in our national interest to further develop a broad and substantive relationship with China, and within the relationship the question of human rights is an important dimension. Australia continues to raise our concerns about human rights with China. I have raised these matters in the past with Chinese leaders and I will do so in the future. The government believes that continued engagement with China is the best way to support improvement in human rights in that country. I said in a speech at Beijing University last year that Australia wants a good and mature relationship with the modern nation of China and that it must be a frank relationship including those areas where we have substantive disagreements. I said then that such a relationship between our two countries involved engaging in principled dialogue about matters of contention, and that remains our position today.

Twenty years ago, in the week or so just prior to Tiananmen, I was in the square myself, not as a diplomat in Beijing but as a visitor to Beijing at the time. I remember walking through the square over several days and talking to students who were protesting. I talked to them about their aspirations and then, having left China, I saw what happened in those tragic events on 4 June. All people around the world were affected by these events, and they still have resonance today. This day, the 20th anniversary of the tragic events of 4 June 1989, is indeed a solemn occasion and we remember all those who lost their lives.

Mr TURNBULL (Wentworth—Leader of the Opposition) (2.04 pm)—On indulgence: 20 years ago thousands of Chinese people, mostly young Chinese people, many of them students, gathered together in Tiananmen Square protesting for freedom and standing up for democracy. It was right that they did so. Tiananmen Square stands at the centre of the capital, the centre of China. It is the place where in 1949 Mao Zedong proclaimed that the Chinese people had stood up. And the Chinese people did stand up in 1989, 20 years ago, and then were cruelly crushed by the might of the Chinese state.

Probably the most memorable image from that time that sums up the challenge those young people faced is a photograph taken the day after, on 5 June. It shows a lone man in a white shirt, unknown then and unknown to this day, who stood in the way of a column of four tanks. As they ground down the square he stood in front of them. They swerved, he moved, and finally they stopped. That was a Chinese person, a Chinese man in
a white shirt, who stood up in Tiananmen Square.

We should remember with great sadness and solemnity those dreadful days of the protests in Tiananmen Square. We should mark our respect for those who sacrificed their lives in the name of freedom, as we do for brave men and women everywhere across the world who stand up in the face of danger for the fundamental values of human rights that we enjoy in our nation Australia.

As the years have passed since those desperate and difficult days, relations between Australia and the People’s Republic of China have strengthened, deepened and broadened. Let us be very clear about this: China’s opening of its economy to the world and its increasing global engagement are in the interests of all of us. The rapid economic advancement in China is a key factor in explaining why the level of poverty in the Asia-Pacific region has halved in just 20 years. By any measure of the human happiness index that represents an astonishing lift in prosperity and security.

It owes much to the embrace by Asia, including by the world’s largest communist state, of many of the principles of economic liberalism. Whether it is China’s growing importance in global trade and investment, her role as a major customer for reliable supplies of energy and resources, her activism in the regional councils or her role in global climate change negotiations, China is a headline story always for the world and, indeed, for Australia. But the great lesson of the 20th century is that the causes of economic advancement, social stability and prosperity will prove more sustainable and more enduring in societies ruled by open minds and open hearts. Australians must always think clearly and objectively about our foreign relations and those with China in particular, and in this I subscribe to the formula struck by our good friend the former Minister for Foreign Affairs, Alexander Downer, who said that our approach to China’s return as a great power should be characterised by ‘a spirit of ambition without illusion’.

In 1997 the Howard government launched with China a bilateral dialogue on human rights. It is through that forum we can raise at the highest levels of the Chinese government our concerns about human rights in, for example, Tibet and to reinforce the importance attached by the Australian people to the principles of freedom of worship and freedom of association. Since 1989 we have seen many positive advances in China, but some setbacks too. In the years to come it remains vital that China understands that Australians will always expect their governments to speak up honestly, directly and unapologetically for the values of freedom and liberty.

The protest in Tiananmen Square did not, as the protesters had hoped, herald a new dawn for China, but it did remind us of the aspirations of people in societies unlike our own to enjoy the political and civil rights we accept in Australia as a given. It is a matter of considerable sorrow to friends of the People’s Republic of China that even today, 20 years on, there is official reluctance to acknowledge the cause and the effects of that brutal crackdown in Tiananmen Square. To this day we still do not know exactly how many people died, and we in this House have no means of demanding or enforcing a demand that China face up to its past. But what we do ask, and must continue to ask, is that China embrace a future where basic civil and political rights are central to its thinking not only in its role as an emerging global power and a responsible stakeholder in international affairs, especially in our own region, but also in its attitude to religious and political freedoms at home.
We will never forget that brave man, that unknown man, in the white shirt who stared down the might of those four tanks on that day 20 years ago tomorrow in the immediate aftermath of the brutal crushing of that demonstration. It is my hope, and I am sure the hope of every member of this House, that in years to come he and the other courageous voices who spoke up for freedom will be properly remembered, recognised and honoured in China, too.

QUESTIONS WITHOUT NOTICE

OzCar

Mr Turnbull (2.10 pm)—My question is to the Prime Minister. I refer the Prime Minister to the standards of ministerial ethics and I note that the Prime Minister’s register of interests states that he has been given a free car complete with registration, insurance and RACQ membership by a Mr John Grant of John Grant Motors. Has the Prime Minister, his office or anyone on his behalf made representations on behalf of Ipswich Central Motors, John Grant Motors or any other car dealership owned by or associated with John Grant to OzCar, the taxpayer funded special purpose vehicle managed by the Treasury and set up to provide finance to car dealers?

Mr Rudd—I thank the honourable member for her question because it goes to what we have seen in the international economic data overnight. In particular, we have released data from the Eurozone. European GDP figures released overnight show that the 16 countries that make up the euro area contracted by 2.5 per cent in the March quarter. This was the biggest fall in European GDP since records began in 1995. The fall in GDP was broad based with almost every component falling significantly. European consumer spending fell by 0.5 per cent in the quarter. This was the biggest fall in European consumer spending since records began. Household consumption contributed negative 0.3 per cent to European growth. These figures underline the severity of the global challenges we face. Every one of the major advanced economies is in recession—24 of the 30 OECD countries are in recession and 29 of the 30 OECD countries have experienced at least one negative quarter of economic growth.

Yesterday’s national accounts data showed that the Australian economy grew in the March quarter by 0.4 per cent. In particular, household consumption grew by 0.6 per cent in the quarter to contribute 0.3 per cent to growth. Household consumption grew in every state and territory in Australia. If consumption had been as weak in Australia as it was in Europe, detracting 0.3 per cent rather than contributing 0.3 per cent to growth, Australia would be in recession. Indeed, Treasury figures confirm that without the cash stimulus payments Australian growth would have been negative 0.2 and Australia would have been in recession.

It follows that the actions taken by the Australian government through its economic stimulus strategy and through its nation...
building for recovery plan mean that we have stood in the breach while the private sector is in retreat. The performance in consumption growth numbers for Australia has been significant. I would contrast those again with what has happened with consumption in the euro figures which I referred to before. I would also draw the House’s attention to statements from the market economists, including the Chief Economist of CommBank, who said:

The Q1 readings provide some further evidence that economic policy is gaining traction in Australia. Consumer spending proves surprisingly resilient to the array of negatives at work, suggesting that the cash handout component of fiscal stimulus was effective. Today’s solid results suggest that fiscal and monetary policy stimulus has been overall effective in softening the Australian economic downturn. The cash transfer from the Commonwealth government to households last December enabled households to boost spending with a relatively healthy rise of 0.6 per cent in the quarter on quarter 1.

There have also been comments to a similar effect from RBC Capital Markets and from the economist at Deutsche Bank.

I would also draw the honourable member’s attention and the House’s attention to a letter signed by 21 Australian economists which was published yesterday in the *Financial Review*, among them Tony Cole, former Secretary to the Treasury; Max Corden, emeritus professor at John Hopkins University; Steve Dowrick, professor of economics at the ANU; Saul Eslake, Chief Economist of the ANZ Bank; Bernie Fraser, former Governor of the Reserve Bank of Australia and former Secretary to the Treasury; John Freebairn, professor of economics at the University of Melbourne; Stephen Grenville, former Deputy Governor of the Reserve Bank; and Nicholas Gruen, CEO of Lateral Economics. This is what the 21 economists had to say in relation to cash stimulus payments:

There is no more effective way to stimulate the economy quickly. The success of this measure can be seen in the relative strength of Australian retail sales compared with almost any of our peers.

Further, this is what the 21 economists had to say about debt and deficit:

… net debt will stay below 14 per cent of GDP compared with an average of over five times this in comparable countries …

… even after the stimulus, we remain within a very healthy margin of safety in our government’s reputation for economic prudence.

Deploying our strong balance sheet to use otherwise idle resources—or to put it more compellingly, deserted factories and unemployed workers—to build assets that improve our lives and our economy in the future, seems much more appealing; much more commonsensical than retreating into phobias.

These are the observations of these 21 economists. They are significant conclusions from mainstream economists and actually go to the heart of the responsible course of economic strategy which the government has embraced, which is a nation-building strategy for recovery.

Obviously, to implement a nation-building strategy for recovery, it is necessary, given a global economic recession, to engage in borrowings, in deficit and in debt, as are most other economies in the world. That is the responsible course of action. But we are in the business of talking the Australian economy up and building the Australian economy up by this composite of measures. I would contrast our approach again to the tactics employed by those opposite, which are to consistently talk the Australian economy down.

Again it is important to make sure that we have a strategy for the future which achieves the best and most positive growth performance for the Australian economy in the period ahead. We believe we are prosecuting
that strategy on behalf of the nation. I commend this program for recovery to all members of the House.

**Australian Defence Force: Health Insurance**

Mr BALDWIN (2.17 pm)—My question is to the Minister for Defence Science and Personnel. Did the minister instruct the commander of health services in the Australian Defence Force, Major General Paul Alexander, to meet with the brother of the former Minister for Defence and chief executive of health fund NIB, Mr Mark Fitzgibbon, on 3 July 2008 and again on 27 August 2008? Will the minister confirm to the House that he issued these instructions after a request from the former Minister for Defence?

Mr SNOWDON—I thank the member for his question. Let me just outline the events that took place so that we understand precisely where we are at. A letter from NIB seeking a meeting to discuss healthcare proposals was received by the Minister for Defence in late June last year. In accordance with the ministerial code of conduct, it would have been absolutely improper for the minister to deal with that correspondence and it was properly referred to me as the minister responsible for health in the Defence portfolio. The letter was referred to my office on 26 June at the direction of the minister.

A preliminary meeting that included the CEO of NIB, Mr Mark Fitzgibbon, members of my staff and departmental staff from DVA and Defence was held on 3 July. A further meeting with representatives of NIB and Humana was held on 27 August. It was attended by Minister Griffin and me, along with staff from our offices and Major General Paul Alexander.

Since that meeting, Defence has had no further contact with either company. I will just repeat that: since that meeting, Defence has had no further contact with either company. This was a matter which was rightly dealt with by me, not the Minister for Defence. I was the minister responsible for defence health and at all times behaved in accordance with the ministerial code of conduct.

Mr Baldwin—Mr Speaker, I rise on a point of order, relating to relevance. I asked: did he issue an instruction to Major General Paul Alexander to meet?

The SPEAKER—The minister responded to the question. I believe the minister has concluded his answer.

**Economy**

Mr SYMON (2.20 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the reasons why our economy is outperforming other advanced economies and what challenges lie ahead?

Mr SWAN—I thank the member for Deakin for his question because I think it is a tribute to the Australian people that yesterday’s national accounts figures show that our economy has outperformed other advanced economies, recording positive growth in the face of this very savage global recession—the worst global recession in 75 years, which has seen virtually every other advanced economy fall into a deep recession. Of course, this was evident yet again overnight, where the euro area contracted by a massive 2.5 per cent in the March quarter. This comes on top of big contractions elsewhere around the globe—four per cent in Japan, 1.9 per cent in the UK and 1.5 per cent in the US. So, at a time when virtually every other major advanced economy is going backwards, Australia is going forwards.

This is a strong outcome for Australia that is a result of strong community effort and the government’s economic stimulus. It is absolutely clear that the government’s economic
stimulus is working to support jobs and growth in our economy. It really shows what Australians can do when we all work together—when we pull together.

We got a fair few examples today of the business community, for example, pointing to the vital impact and social and economic good that economic stimulus is doing. Michael Blythe, the Chief Economist for the Commonwealth Bank, said:

The Q1 readings provide some further evidence that economic policy is gaining traction in Australia. Consumer spending proved surprisingly resilient to the array of negatives at work, suggesting that the cash handout component of fiscal stimulus was effective.

And then we have Michael Luscombe, the CEO of Woolworths, who said:

… you have to give them a great deal of credit for getting on the front foot and making sure that the economy didn’t stall.

And from Westpac’s Economic Update:

The cash transfer from the Commonwealth government to households last December enabled households to boost spending … as households largely spent the December cash payment.

So those are the views from market economists and from the business community.

But, as the Prime Minister and I have said, we are not out of the woods yet. There are some very big challenges ahead for us as a nation because the global recession will continue to batter our economy. We are seeing big adjustments in our economy and big challenges, particularly through the collapse in the terms of trade, in export earnings and in private investment. All of these trends, which were evident in the figures yesterday, will have big consequences for jobs and incomes in the Australian economy. That is why our nation-building plans for recovery, investments in infrastructure—road, rail, port, energy efficiency—investments in school modernisation, investments in social housing and so on are so absolutely essential. We still have a big challenge and a very big job ahead. But we are armed with a battle plan that will cushion this economy from the very savage impacts and worst impacts of this global recession.

OzCar

Mr Turnbull (2.24 pm)—My question is addressed to the Prime Minister. I refer the Prime Minister to the statement made in estimates several hours ago that the Prime Minister’s office had made one representation on behalf of a car dealer to the Treasury official managing OzCar, the special purpose vehicle funded by the taxpayer to provide finance to car dealers. I refer the Prime Minister to the fact that in that Senate estimates hearing it was put to the Treasury official that the company in respect of which the Prime Minister’s office made the representation was a company associated with Mr John Grant, the gentleman who provides the Prime Minister with a free car. I refer the Prime Minister to the fact that 45 minutes ago he was expressly asked in a news conference whether his office had made a representation on behalf of a company controlled by Mr John Grant. Prime Minister, what do you have to hide? Why don’t you just tell us what representation you have made?

Mr Rudd—I refer the honourable member to my answer to his first question, which is firstly in relation to this individual and the contribution of a motor vehicle to my local electorate. That was fully declared on the Pecuniary Interest Register—that is the first point. Secondly, I am unaware of any representations being made on behalf of this individual concerning the program to which the minister refers. I said in response to the honourable member’s first question that if there is anything further to add to that then I would provide him with an answer.
Can I also say to the honourable member that, if he is leaping from one thing to another, the one recollection I have of a member of the public approaching me about their possible access to the car dealership finance arrangement was in fact a car dealership in the seat of Bennelong. It was at a small business function that I attended with the member for Bennelong.

Opposition members interjecting—

Mr RUDD—No, the honourable member asked for an answer and I am giving him an answer. This representative said to me that they were experiencing difficulties in their car dealership and asked if the program was up and running. Upon my return to my office I mentioned that fact to my office. What subsequently occurred in relation to that individual car dealer I have no idea, but I actually said that this is what representation had been made to me. My recollection is that this is the only car dealer who has made such a representation to me; that is the occasion that I recall. If representations were subsequently made by my office concerning that particular dealership, it would be consistent with the representations that were made to me at that time. That is the sum total of my knowledge of it. If there were further to add to it, I would provide it to the honourable member rather than simply having the honourable member stand at the dispatch box and make insinuations.

Education Funding

Mr SIDEBOTTOM (2.27 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the minister please update the House on the government’s investment in Australia’s TAFEs and outline how this investment in job security compares to previous approaches? Can the minister explain the connection between training and jobs?

Ms GILLARD—I thank the member for Braddon for his question and I know that he is someone who has dedicated his life, both within and outside this parliament, to education. I am asked about our investment in TAFE. Can I say that TAFE is the engine room of skills development in this country. TAFE institutes around Australia have about 80 per cent of the training market. What TAFE is all about is jobs—preparing people for jobs, preparing them to get life’s opportunities through access to work and preparing them to get better jobs as people go back to TAFE for retraining and reskilling. As a government we are committed to the further development of our TAFE sector. We know that it will be one of the main ways in which the nation provides the skills and opportunities that Australians need for the future. And in the forthcoming economic recovery we want Australians to be trained and ready for the new economic opportunities when the economy turns to stronger growth as we move into a new future.

Mr Speaker, I invite you to compare this government’s approach to investment in TAFE to that of the former government. I was asked about previous approaches, and I can summarise the approach of the former government very easily. If we look at the years 2005 to 2008 and the funding deal under the former government, they were investing in vocational education and training infrastructure $185 million per year—remember that figure—whereas the Rudd Labor government, in the year 2009 alone, is investing in VET infrastructure a staggering $897 million. Those are two figures that should be compared, and they say something very important about how we see TAFE and how we see skilling for the future. You would have to assume from the Howard government’s approach to TAFE that the Howard government ministers did not understand that if you invest in TAFE infrastructure you
are investing in jobs—you are investing in the jobs that you use to build the infrastructure and you are investing in jobs tomorrow because you give people an opportunity to train.

But perhaps I am being a little unkind, because it has been drawn to my attention that there was one former Howard government minister, just one former Howard government minister, who did understand something about the connection between training and jobs. I am talking here about the member for Higgins, who has been engaged in a bit of job training himself. It was drawn to my attention—and it should be compulsory reading for all members of the House—that last week the member for Higgins delivered an adjournment address. This is a historic thing, because the last time the member for Higgins delivered an adjournment debate address was 17 years ago. Three Prime Ministers and 10 opposition leaders later, we have the member for Higgins delivering another adjournment address, having not served as Prime Minister or opposition leader for one day of the 17 years intervening. What is interesting about this adjournment address is that it is about the Liberal Party and its achievements and its leaders, but there is one leader’s name you will not find referred to in the words of that adjournment address.

Mr Crean—Which one—not John Winston?

Ms GILLARD—No. I am asked by the member for Hotham which one, and I can tell him the answer to the question. The member for Wentworth does not make an appearance in this adjournment address.

I understand that the member for Higgins is engaging in a bit of training, and that is because I have seen the advertisement for the job he wants to apply for. There we have it, appearing in the pages of the newspaper. You might not have seen that, Prime Minister, but it says preselections are open, including for the member for Higgins’s seat. What I am not sure about is if there is any truth in the rumour that in the next editions of the newspapers we will see an advertisement ‘Position vacant: Leader of the Opposition’, because that is the one he really wants to apply for.

OzCar

Mr TURNBULL (2.33 pm)—My question is addressed to the Treasurer. I refer the Treasurer to the evidence given by one of his officials in estimates today that the Treasurer’s office had made two representations on behalf of car dealers to OzCar, the taxpayer funded special purpose vehicle, which provides finance to car dealers and which is administered by the Treasury. Has the Treasurer or his office, or anyone on his behalf, made representations to OzCar on behalf of Ipswich Central Motors, John Grant Motors or any other car dealership owned or associated with John Grant?

Mr SWAN—They have given up on the economy! It is true that the government established a special purpose vehicle to deal with problems in the financing of car dealerships. As a consequence of that, there have been numerous representations made to members of parliament from car dealers right around the country—numerous representations which have been forwarded on to my office and in turn forwarded on to the responsible officials in the Treasury for consideration. There is nothing abnormal about that. I know that the member for Riverina, for example, made some representations to my office about car dealers in her electorate. There have been numerous others, and I am sure that we can compile a list. It is an entirely normal thing that members of parliament or car dealers would contact the Treasury, which is establishing and putting in place this vehicle.
It is the case that Mr Grant made representations to my office, and he was referred on to the SPV, just like everybody else. I have no idea what the outcome of that was. But it is entirely normal that, in circumstances where car dealers right around this country were potentially going to the wall, car dealers would have been ringing members of parliament, including the Treasurer’s office, asking how they could make contact with this organisation in the Treasury establishing the vehicle. That is the situation—an entirely normal situation, as the Treasury officials have reported in estimates today.

**Economy**

Ms OWENS (2.36 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. Will the minister update the House on how cash payments to families and pensioners have helped cushion Australia’s economy from the impact of the global recession and of any responses?

Ms MACKLIN—I thank the member for Parramatta for her question. As she may be aware, more than 50,000 direct payments have been made to families, pensioners and carers through the stimulus payments that this government has delivered over the last few months. It is important to note that all of us owe a very big thankyou to the families, pensioners and carers who have, as a result of these stimulus payments, been doing their bit to make sure that Australia did experience positive economic growth in the March quarter. Yesterday’s national accounts showed that the government’s cash payments did in fact find their mark and that was because families and pensioners spent at least a good proportion of those payments to keep household consumption positive. That has been very good news for this country.

As the Prime Minister and Treasurer have said, we are not out of the woods by any means. We understand the impact of the global financial crisis. While we have been delivering these payments, we have been getting on with the next stage of our nation-building strategy for recovery and that includes a lot of work, particularly in the housing and construction industry. We know that many people—not including anybody opposite, of course, but economists, industry, pensioners and families—have very much welcomed these payments.

Some of the people who welcomed the payments were pensioners who the member for Parramatta and I met just a couple of weeks ago. One pensioner told me that he knew of a number of his neighbours who had been able to use the December payments to go and visit family that they had never been able to visit before. They had not had the money to do so before. Another lady at our afternoon tea told us a terrific story about how she had used her December payment to get some local tradies in to fix up her fence, get rid of some rubbish and get some landscaping done. Just in case the opposition misses the point of these stories from local pensioners in Parramatta, it was all about making sure that those local tradespeople had some extra work because pensioners had money to spend. That was actually the point of the payments. The pensioners did go out and spend the money and, as a result, local tradies people in Parramatta had extra work.

The opposition never trusted families or pensioners. They never thought that they should get these extra payments. They have been doing nothing short of wishing and hoping that the cash payments would not work. Now, of course, they find it very hard to admit that we have seen some early signs of the government’s strategy working. We had the shadow Treasurer on Sky Agenda this morning. The journalist said to the shadow Treasurer, ‘Do you concede the government’s stimulus package has helped the
Australian economy at all?’ The interview went on:

Hockey: Well, I think it is fair to say that, if you spend enough money, there will be some impact.

Journalist: A positive impact, though?

Hockey: Well, it must have had some impact.

Can you believe it? The shadow Treasurer now says the government’s strategy was always going to work. That is after they flip-flopped and did not know whether or not they supported the payments all during December and then in February they decided that they would vote against the payments. This is yet more evidence from the shadow Treasurer that it is all about political opportunism. The opposition have no idea whatsoever about how to deal with this terrible global financial crisis.

OzCar

Mr TURNBULL (2.41 pm)—My question is addressed to the Treasurer. I refer to his previous answer in which he confirmed that he had made representations to OzCar on behalf of Mr John Grant, a car dealer seeking finance from that taxpayer special purpose vehicle. I ask the Treasurer: were there any discussions or communications between the office of the Treasurer and the office of the Prime Minister?

Mr Albanese—Mr Speaker, I rise on a point of order. It is not in order for the Leader of the Opposition to verbal the Treasurer on the basis of his previous answer. I would ask you to rephrase the question.

Honourable members interjecting—

The SPEAKER—Order! Whilst the member for Fadden has got the book out, he might read 65(b). I think that these situations are best handled by the response to the question. I have the difficulty of then adjudicating on interpretations of answers. Whilst I understand the point that is being made by the Leader of the House that the question is based on the perception of the previous answer by the Treasurer, in the case where the Treasurer will have the opportunity in his answer to correct any misinterpretation, I am happy to allow the question. But I note that today we should be very careful with the amount of debate that is put into questions.

Mr TURNBULL—Mr Speaker, I refer to the Treasurer’s previous answer in which he confirmed that his office had made a representation to OzCar on behalf of Mr John Grant’s car dealership. I ask the Treasurer: were there any discussions or communications regarding Mr John Grant’s interest in seeking finance from OzCar between himself and the Prime Minister or between their respective offices?

Mr SWAN—As I said before, there is absolutely nothing out of the ordinary in members of parliament making representations on behalf of constituents to ministers’ offices. There is nothing out of the ordinary in that at all. This occurred quite a bit around the time that many of these car dealerships looked to be in trouble and were not able to secure finance. So certainly there were numerous representations made to my office by members of parliament on behalf of car dealers. There will be members on the other side over there who made those representations. Secondly, it is absolutely nothing unusual for those representations to be then passed on to the department.

I can say I have had no discussions with the Prime Minister about this matter whatsoever—none whatever. I am happy to look at what communications have taken place between my office and other offices. I am happy to do that, and I am sure there were a number of communications between my office and many over there. But, in the case of the Prime Minister and me, there were none.
Swine Influenza

Ms BURKE (2.45 pm)—My question is to the Minister for Health and Ageing. Will the minister advise the House on the latest swine flu developments and on the government’s response to date?

Ms ROXON—I thank the member for Chisholm for her question. I note that, as a Victorian, she is interested in developments and I thought it was important, given the changes yesterday, to bring the House up to date with a range of new arrangements. As at noon today there are 639 confirmed cases of H1N1 influenza, or swine flu, in Australia. There are 70 of those in New South Wales, 521—the lion’s share—in Victoria, 28 in Queensland, seven in South Australia, two in Western Australia, five in Tasmania, four in the ACT and two in the Northern Territory. I need to report that six Victorians have been hospitalised, but all are recovering well. Seventeen schools are currently closed: 12 in Victoria, four in Queensland and one in the Northern Territory. I need to report that six Victorians have been hospitalised, but all are recovering well. Seventeen schools are currently closed: 12 in Victoria, four in Queensland and one in the Northern Territory. Most jurisdictions have now established flu clinics so that there is a particular place for people who are suffering flu-like symptoms to go and be assessed to see whether they have seasonal flu or H1N1 influenza. Globally there are now 66 countries affected, with 19,273 confirmed cases. Australia has about three per cent of those cases.

There has been some speculation about whether there are any restrictions on travel either within Australia or to and from Australia. I need to make it clear to members who are getting queries from their electorate offices that there are no restrictions in place within Australia and there are no travel restrictions on people coming into or leaving Australia. Yesterday I did announce with the Chief Medical Officer that Victoria has moved to a modified sustained response, while the national alert level still remains at ‘contain’. This has been done on the advice of the Chief Medical Officer and the Australian Health Protection Committee. These alert levels will continue to be reassessed daily as will, in particular, the different levels for different jurisdictions as they do cause some inconvenience to the public. I do need to emphasise as well that this different alert level for Victoria is likely to be transitional. It reflects an unusual distribution of these cases to date, but we expect very soon, in the coming days or weeks, that the rest of the country will similarly have more cases in their jurisdictions. At the moment we have that unusual distribution, with a high number of cases particularly in the northern suburbs of Melbourne.

I want to emphasise that there are no restrictions on travel and no advice that adults should in any way delay or defer their travel within Australia. Restrictions are suggested for adults only if they are a confirmed case. Governments have not implemented any restrictions on domestic travel, either at the state level or nationally. We have a clear view, and this is based on the medical advice, that people should not change their travel decisions within Australia; it is easier for us to continue to respond sensibly and calmly. Given the relatively small number of cases, it is important that we encourage people to continue with their normal lives while taking appropriate personal precautions. As I have said on a number of occasions, the best way to contain the spread of any type of flu is for people to observe good hygiene practice.

Members will be interested to know about the focus that all governments are putting on schools, particularly because they seem to be the environment where the disease spreads most easily. School-age children around the world seem to be being described as the superspreaders of this disease because of the type of contact they have with each other,
and parents have been asked on a voluntary basis to keep their children at home if there is a risk that they have been exposed to the H1N1 influenza. Governments are continuing to implement a policy of voluntary exclusion from school for a period of seven days for all children returning from areas where there is a high prevalence of the virus circulating in the community. As it stands now, that high prevalence is in the northern suburbs of Melbourne. That will change over time, but people do not need to fear any travel within Australia; they just need to be aware of the impact and the voluntary request that will be made for children to stay away from school if they have visited in particular those areas most affected and been involved in activities and close contact with other school-aged children. All jurisdictions are now implementing random sampling testing, known as sentinel testing, of influenza-like symptoms within the community so that we can help to identify and monitor the spread of swine flu and any changes in the dominant circulating influenza strain as we get into the seasonal flu period as well.

In the six weeks since the world first learnt of swine flu, the Australian government, with the help of the state and territory governments, has been acting thoroughly and consistently to ensure that our efforts go towards delaying the entry of the disease into Australia and containing its spread where possible, and we are now moving gradually to the phase where our focus will be on treating those who are most at risk in the community. Every day and every week that that delay in the spread of swine flu is successful gets us closer to the production of the vaccine, which of course will be distributed according to the latest information on whom this disease might be most harmful to.

So far in Australia the experience has been that this disease is mild but has a hard edge. We need to be conscious that there will be some in the community, particularly those with respiratory problems, who will be vulnerable to this disease. I remind people that all our efforts will continue to jump on those cases, where they are identified, particularly if they are in settings where people are at risk.

Anybody seeking information can still contact the swine flu hotline on 1802007. I am advised that it is receiving around 4,000 calls a day. Please be patient if you have any difficulties getting through. We have been advised that the information is proving very useful for parents who want information for their children or advice about when they should go and see a doctor.

Australia is one of the best prepared countries in the world to deal with this sort of situation, but it is going to be a marathon effort. I would like to thank the community and particularly the health professionals for the excellent work that they have been doing and for the demands that will continue to be placed upon them as this disease spreads throughout the country.

OzCar

Mr TURNBULL (2.53 pm)—My question is again to the Treasurer. I refer the Treasurer to his answer to my previous question concerning representations made to OzCar by his office. In his answer he stated that his office had received hundreds of representations which had been forwarded to OzCar. The evidence before estimates today by one of his own officials is that OzCar has received one representation for one dealership from the Prime Minister’s office and for only two dealerships from the Treasurer’s office, one of which we know was on behalf of Mr Grant. Which account is true? Was it hundreds or was it two?

Mr SWAN—There would have been many, many representations to my office from members of parliament, and they would
have been dealt with in a variety of ways. What you should do is go and talk to the Motor Trades Association about the deep interest there has been from car dealerships on this issue. By a variety of means these have all been referred on to OzCar, which by the way is the subject of legislation that has passed the House but still has not passed the Senate. If you wish to call officials back before the estimates committee to find out how many phone calls there were, how many representations there were and what incoming requests for information there were, go for your life, but you are up a dry gully.

**Nation Building and Jobs Plan**

Mr DREYFUS (2.55 pm)—My question is to the Prime Minister. Can the Prime Minister inform the House of steps taken by the government to stabilise the financial system and strengthen employment in the face of the global financial crisis?

Mr RUDD—I thank the honourable member for his question. The nation is challenged with the huge impact of the global economic recession and what to do about it in practical terms. You either stand back and sit on your hands and do nothing—the prescribed course of action on the part of those opposite—or you step up to the plate and seek to act and make a difference by stepping in while the private sector is in retreat. That is what the government have done. We have done so at multiple levels. We have done so by our investment in the economic stimulus strategy last October.

In phase 1 we provided support through cash payments to pensioners, carers, veterans and later to families in order to provide a boost to domestic consumption at a time when consumption figures around the world were collapsing. The consequence of that is reflected in the most recent retail sales figures. Those figures put us light-years ahead of the rest of the world and have underpinned one of those drivers of demand that we saw reflected in the growth numbers, which were confirmed in the national accounts yesterday.

Phase 2 of the government’s economic strategy is for the government to invest in medium-term infrastructure—the biggest school modernisation program in the country’s history, the biggest investment in social housing in the country’s history and the biggest investment in home insulation and energy efficiency in the country’s history—with the objective of making sure that we have provided every owner-occupied dwelling in the country with the opportunity to obtain ceiling insulation and thereby pull down greenhouse gas emissions by something like 50 millions tonnes of CO2 equivalent. These are practical measures for the future but, critically, they are also providing jobs today.

Phase 3 of what we have sought to do is to invest in long-term infrastructure, nation-building infrastructure—rail, roads, ports, solar energy, clean energy, clean coal as well as desalination plants. There is also investment in a new national broadband corporation so that we can lay out the infrastructure we need for the 21st century and, on top of that, create economic incentive and opportunity on the way through.

Phase 1, phase 2 and phase 3—what is our overall principle? To step up to the plate while the private sector is in retreat; nation building for recovery while the rest of the world is in retreat; nation building by supporting jobs, small business and apprenticeships today and by investing in the infrastructure we need for tomorrow.

Also underpinning these measures—and I go directly to an element of the question which was just asked—are the actions taken by the government to assist with the stresses which have been placed on the financial sec-
We acted decisively to provide a government guarantee for every single deposit holder in the country in banks, in building societies and in credit unions. Every person in the gallery today who is listening to the debate knows that their deposits are secure in their banks because of the government guarantee. For the first time in the history of the Federation, notwithstanding multiple recommendations to those opposite in their 12 years in office, we act in a parallel fashion.

When it comes to necessary support for the flow of finance in the community, we have also been out there agreeing on other measures with the banks. We have the Australian Business Investment Partnership, ABIP. We have provided an alternative financial vehicle, a special purpose vehicle, jointly invested in by the banks and by the Australian government with the purpose of providing necessary lines of credit—assuming commercial viability tests are passed—for the crucially important commercial property sector in Australia. It is capable of generating tens of thousands of jobs in this country. Of course, if projects collapse in that sector the unemployment consequences would be great as well.

And then, of course, the other vehicle of which the government is proud is the special purpose vehicle we have created in the motor vehicle sector. We are proud of that as an Australian government initiative, despite the frustrations we are encountering in the Senate on this matter. Once again industry has come to government and said, ‘How can you partner with the banks to make a difference?’ We have done so and provided a vehicle that is open to all those out there in the critically important car dealership industry to ensure that we can provide support and incentive for them as well. That is what the government is doing by way of positive measures in the economy, positive measures to make a difference, to build the economy up rather than simply having it torn down by the negative language from those opposite.

On the question of the special purpose vehicle, let me say in response to some of the insinuations that have been made by the Leader of the Opposition: (1) I have been advised that neither I nor my office have ever spoken with Mr Grant in relation to OzCar; (2) neither I nor my office have ever made any representations on his behalf; and (3) I have not been aware of any representations on his behalf made by anyone in the government, including the referral referred to before by the Treasurer’s office.

What we have here is the politics of fear about the economy being replaced by the politics of smear in this House by the Leader of the Opposition. The Leader of the Opposition has engaged in a deliberate smear in this place, without a single positive message to say about the future economic direction of this country. I would suggest that the Leader of the Opposition stand at the dispatch box and apologise.

Government members interjecting—

The SPEAKER—Order! Those on my right!

Mr Rudd interjecting—

Opposition members interjecting—

The SPEAKER—Order! I have no idea what was said but, based on the reaction, it would assist the House if the Prime Minister withdrew.

Mr Rudd—I withdraw, Mr Speaker.

The SPEAKER—I thank the Prime Minister.

Minister for Defence

Mr TURNBULL (3.02 pm)—My question is to the Prime Minister. I refer the Prime Minister to his announcement of the Minister for Defence’s resignation today and the letter of resignation from the Minister for
Defence, and in particular to his reference in that letter to meetings between his brother Mark, Humana, the Minister for Veterans' Affairs, the Minister for Defence Science and Personnel and members of the Minister for Defence’s staff. Can the Prime Minister confirm whether any members of his—the Prime Minister’s—staff were present at any of these meetings referred to in the letter of resignation from the Minister for Defence?

*Government members interjecting—*

The SPEAKER—Order! Ministers! Those on the front bench on my right will come to order! The Prime Minister has the call.

Mr Rudd—I am unaware of any such participation in the meetings referred to. In fact, I have just been advised by my office that no members of the Prime Minister’s office attended any such meeting. I would say to the Leader of the Opposition, as he pursues his campaign of fear and smear—

*Opposition members interjecting—*

The SPEAKER—Order! The Prime Minister has the call!

Mr Rudd—The only one amused by the proceedings is the member for Higgins at the moment, because your credibility has just crumbled yet again.

Mr Crean interjecting—

The SPEAKER—Order! The Minister for Trade!

Mr Rudd—A person who has stood at the dispatch box and made insinuations of the type which have been described before—the Leader of the Opposition, I would suggest, if he is a person of any moral substance, should stand at the dispatch box and register his apology for what has been said.

Mr Hockey—Mr Speaker, I rise on a point of order. I ask you to ask the Prime Minister to withdraw that reflection on the Leader of the Opposition.

The SPEAKER—Again, if I take this in the context of robust debate—

*Honourable members interjecting—*

The SPEAKER—There is a response that I could make—

*Government members interjecting—*

The SPEAKER—Order! Those on my right! Just as I ignored certain comments that were made earlier in question time on my left by way of interjection which, if they were used in debate, would have required a substantive motion, I am not going to require the Prime Minister to withdraw. The Prime Minister has the call.

Mr Rudd—Furthermore, I find it curious that the member for Wentworth and the member for North Sydney, given their historical association with Goldman Sachs and HIH, would stand here and provide lectures on standards to the Australian parliament. I find it passing strange that those opposite, who come from the party which presided over the single-largest corruption scandal in Australian history, the wheat for weapons scandal, involving $300 million, for which not one minister answered with their ministerial career—

*Honourable members interjecting—*

The SPEAKER—Order! Those on my left and right!

Mr Rudd—I find it passing strange—

*Honourable members interjecting—*

The SPEAKER—Order! The Prime Minister has the call and the Prime Minister will relate his remarks to the question.

Mr Rudd—I find it passing strange that those opposite would provide the House with a lecture on these sorts of standards, given where they have come from on these matters. This is the party of children overboard, the party which misled the Australian people on the eve of the 2001 election. This is the party
which presided over the wheat for weapons scandal, the biggest corruption scandal in Australian history. This is the party which presided over the implosion of HIH. The then minister responsible for its regulation is now the shadow Treasurer and the member who is now the Leader of the Opposition was working at one stage for Goldman Sachs, a company which provided some corporate advice in relation to this matter. When it comes to ministerial standards and parliamentary standards, those opposite should reflect long and hard on the standards which they bring to bear in this debate today.

Those opposite have nothing positive to say about the Australian economy, nothing positive to say about how we are going to take this country forward at a time of extraordinary global economic duress and nothing positive to say about what the country should do given the challenges that we face. Instead they are embarked upon a campaign of undiluted negativity. They should hang their collective heads in shame.

Infrastructure: Alstonville Bypass

Ms SAFFIN (3.08 pm)—Will the Minister for Infrastructure, Transport, Regional Development and Local Government update the House on the history and progress of the Alstonville bypass in my electorate of Page?

Mr ALBANESE—I thank the member for Page for her question. The Alstonville bypass has indeed had a long history over the last decade. It is a history in which not much happened for a very long time. But in recent times—indeed, just a little over a month ago—work began on the Alstonville bypass and 140 people started work. It does have a history, though, and I am not the only one who has looked at the history of this project. The member for Warringah was on the doors this morning. He had the following to say about the history of the bypass:

The Howard government first committed $12 million to the Alstonville bypass in 2002. Then the Alstonville bypass was costed by the state government at $24 million. The Howard government gave the state government $6 million but they didn’t actually start any work.

That is what he had to say this morning. You would think that, if you had made a commitment in 2001 to build a road and it was now 2009 and you had had two full terms to build the road, you would be embarrassed. You would not be going out there on the doors and talking about the promises. In spite of the commitment in 2001, nothing happened. Nothing happened in 2002, nothing happened in 2003 and nothing happened in 2004, 2005, 2006 or 2007. Nothing happened at a time when revenue was being returned to government coffers in record terms.

But the coalition’s opportunism is a character trait. It is not just the federal opposition that have that trait. The New South Wales Nationals leader, Andrew Stoner—and yesterday I quoted him praising the Kempsey bypass—had this to say this week. He said, ‘The long-awaited Alstonville bypass has been dropped.’ He must think they are still in government down here. He must think they are still in government, because it is not true. It is not only not true but it is going ahead fully funded by this government. There is a pattern of behaviour over there. They say: ‘Oh, we were going to do something about Cooroy to Curra in our 13th year. We were going to do something about the Hunter Expressway in our 13th year. We were going to do something about the Kempsey bypass in our 13th year.’ They went to election after election and made promises. If you go back and look at the funding, you will see there was nothing ever there in the budget. They are delusional not only about the past but about the present, and they have nothing to say about the future. The member for Groom
also went out on the doors today, and this is what he had to say. He was asked:
Can you stand here and tell us which infrastructure projects in your electorate that you oppose?
The member for Groom said:
Well, I haven’t got any as far as I know.
That is what he said. He said, ‘I haven’t got any.’ He should log onto www.economicstimulusplan.gov.au, and there he will find 73 schools in the electorate of Groom, eight social housing units in the electorate of Groom, $4½ million for the regional and local Community Infrastructure Program, $1.6 million to install boom gates at two level crossings in his electorate and $4½ million to fix four black spots—three of which, because they were on the national network, he voted against when he voted for that ridiculous amendment moved by the Leader of the Nationals to remove any funding for black spots on the national road. They are in denial about the past, they are completely unaware of the current situation and they have absolutely nothing to say about Australia’s economic future.

OzCar

Mr PYNE (3.13 pm)—I refer the Prime Minister to his admission in the register of interests, which he has discussed today, that he received a free car—complete with registration, insurance and RACQ membership—from John Grant of John Grant Motors. Does the Prime Minister also have use of a taxpayer funded electorate vehicle under his entitlement or has he instead opted to receive the $19,000 increase in his salary?

Mr RUDD—In relation to the first matter, I would say to the honourable member that my declarations on the pecuniary interests register are accurate. Second, the exercise of my other entitlements as a member of parliament is consistent with those of other members and ministers.

Exports

Mr CHAMPION (3.15 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. Will the minister advise the House on how the government’s recent wheat export marketing reforms have been received?

Mr BURKE—I thank the member for Wakefield for his question. I am reminded by the comments the Prime Minister made earlier concerning the AWB monopoly and its behaviour under the previous government to say it is about a year since this government abolished the AWB monopoly on exports.

Mrs Hull—You should know! You destroyed every wheat farmer!

Mr BURKE—in the lead-up to that news being received, we had some extraordinary stories of gloom and doom from the National Party as to how it would be received. We had the member for Calare, the shadow minister, describing it as economically irresponsible legislation, we had Senator Boswell saying that the new arrangements would throw an industry to the wolves of the international market, and we had the Leader of the National Party disagreeing with it on the basis that he wanted premiums for growing quality Australian wheat to go to Australian farmers and the Australian economy. But interestingly, since the reforms came in and growers started to get their returns and have the choice of who they would sell their wheat to, the Nationals went strangely quiet—

Mrs Hull—Whose choice?

Mr BURKE—in faithfulness, the member for Riverina never went strangely quiet; except for her, the National Party went strangely quiet. And there is a good story in exports at the moment for agriculture. The figures that have been released this week show rural exports having increased 18.3 per cent in the March quarter, and in particular the value of wheat exports having risen by 65 per cent to
close to $1.7 billion in the quarter. And so I thought I would have a look at Wheat Exports Australia online and look at the actual marking down of what has happened to the National Party’s predictions on whether or not Australia would get a better deal for wheat under the new arrangements.

Ms Julie Bishop interjecting—

Mr BURKE—You voted with us on this, okay, so do not get too angry! I know you do not always remember how you voted, but you voted with us. You might have a National Party member either side of you, but you did not vote with them on this one.

We have on the bulk wheat exports the different prices between what you get on the west coast of Australia and what you get on the east coast of Australia. Wheat Exports Australia, in the information they have provided, have graphs on the three different markers: the Chicago Board of Trade for the international price, the Fremantle price and marker for the west coast price and Newcastle for the east coast price. Before these reforms were introduced, the Chicago price was consistently above what we were getting on the east coast of Australia or the west coast of Australia. But since growers were given a choice as to whom they wanted to sell to, first of all you find that on the east coast of Australia prices have gone up to close to parity with the Chicago price.

Opposition members interjecting—

Mr BURKE—But in Western Australia there has been a $35 a tonne premium above what they were previously getting, above the Chicago marker, since this was introduced.

Opposition members interjecting—

Mr BURKE—Now this is why the party—

The SPEAKER—Order! I would remind honourable members on the front bench on my left that, if they want to make accusations about members’ actions, the contravention of standing order 65(b) is not the way to go about it and I will deal with them.

Mr BURKE—It is no surprise that the party that has representatives from Western Australia—not the National Party—knew that this legislation was the right thing to vote for. At this point in question time, I would like to say something nice about the Liberal Party.

Government members interjecting—

Mr BURKE—No, I would. On this issue they voted against the Nationals. That was the compliment. That will be as good as it gets. But on this issue it was a real compliment, because the National Party, for the sake of the local agripolitics that they get involved with, were willing to see the AWB monopoly continue to behave as it was and see Australian farmers suffer lower prices as a result. And yet, time and again, that is the judgment that the Liberal Party are willing to defer to. But they were not willing to defer when this bill came up, and that is why, when they are willing to exercise a judgment independent of the National Party, we end up with a situation where we get decent legislation and Australian farmers get a premium.

But that sort of judgment will never be the judgment that the coalition has as its standard. People on the other side who take an interest in agriculture who are from the Liberal Party—like the member for Groom, the member for the Forrest and the member for Farrer—never get the agriculture portfolio on that side because, due to a mad coalition arrangement, consistently they decide that the party with the fewest country seats should get the total call on agricultural policy. And as long as they keep that deal, it will be a deal that lets Australia’s farmers down.

OzCar

Mr PYNE (3.21 pm)—Mr Speaker, my question is to the Minister for Finance and
Deregulation, both in his own capacity and as representative of the Special Minister of State in the House of Representatives. I refer to the Prime Minister’s failure to answer my previous question. I ask the minister for finance: does the Prime Minister have use of a taxpayer funded electorate vehicle in his electorate of Griffith, or has he instead opted to take the $19,000 increase in his salary in lieu?

Mr RUDD—Mr Speaker, I will take the question that the honourable member has asked. My office advises that I do not claim money in lieu of a vehicle. I have an electorate car. It is a Toyota Prius. It is in Canberra, as per the entitlement, because that is where I happen to live. The opposition know that because they have asked questions on notice about it. Furthermore, in terms of the vehicle supplied by Mr Grant, it is a ute for the purposes of mobile offices. It has on the side of it ‘Kevin Rudd’s mobile office’ and I have used it for quite a number of years.

Economy

Ms GRIERSON (3.22 pm)—My question is to the Minister for Small Business, Independent Contractors and the Service Economy. Will the minister advise the House on any recent responses to small business initiatives in the budget? What are the effects on small business confidence of recent economic data?

Government members interjecting—

The SPEAKER—The members behind the minister will not sool him on.

Dr EMERSON—They are just trying to encourage me, Mr Speaker. I do thank the member for her question and for her interest in small business. As I said yesterday, there is a lot of interest in small business on our side of the parliament, and it is now one year and one day since I had a question from the member for Moncrieff, the shadow small business minister. I have had reason to celebrate the reaction of the small business community to the small business tax break. I take the opportunity to thank the Prime Minister for decisions that he and the Treasurer made in the budget context. In going to forums around Australia with small businesses, I firstly ascertained that the previous small business tax break, though very popular, did warrant some further consideration in the respect that businesses were saying that it had not passed the Senate and they were worried that it might go the way of alcopops, and therefore they were holding back. Secondly, a proportion of small businesses did not know about it. When I approached the Treasurer and the Prime Minister with these two issues, the decision was made to extend the operation of the small business tax break to the end of this calendar year, to 31 December, and, further, to boost that tax break from 30 per cent to 50 per cent.

This is just one of the measures that the government has adopted, not only to boost small business investment but also to boost small business confidence. I am pleased to advise the House that the business groups around Australia strongly support the government’s small business initiatives. I will take the opportunity to refer to the support that has come from the Australian Retailers Association. The director of the Australian Retailers Association had this to say about the budget initiatives:

Retailers applaud budget support for small business

That was the heading, and it describes a small business tax break as:

… direct incentive for smaller retailers … to inject much needed investment in their business.

The Australian Retailers Association concludes:

These initiatives coupled with the Rudd Government’s stimulus packages, which are beginning to flow from consumers pockets through to retailers,
leave retailers optimistic the Rudd Government is listening to their concerns and supporting small business.

It may interest members to know that the Executive Director of the Australian Retailers Association is Richard Evans. Richard Evans was the Liberal member for the seat of Cowan—you may remember that, Mr Speaker—between 1996 and 1998. We would not always agree with Mr Evans, and I am sure that he will be critical of the government in the future, as he has been in the past, but he can be optimistic about Australia’s future. If the Executive Director of the Australian Retailers Association can be optimistic about Australia’s future, why can’t the Leader of the Opposition? Why can’t the Liberal member for Wentworth be optimistic about Australia’s future? Why does he insist on talking the economy down when we are trying to talk the economy up? Just yesterday, the same former Liberal member for the seat of Cowan said:

… at the moment, there is a lot of good economic news and retailers are predicting improved growth from the September quarter.

There we have the Executive Director of the Australian Retailers Association talking up the economy. He is not alone, as there is a whole litany of business representatives who are talking up the economy. Michael Luscombe, Woolworths chief executive, and Mark McInnes, David Jones chief executive, are both saying that the stimulus packages have been terrific and are both saying that the outlook for the Australian economy is a very positive one. Paul Brennan, the head of economics at Citigroup, is saying the same thing. Andrew McKellar, the CEO of the Federal Chamber of Automotive Industries, said:

There is clear evidence that the Federal Government’s business tax break is providing the market with a renewed sense of optimism and confidence.

Then there is Greg Evans, the acting chief executive of the Australian Chamber of Commerce and Industry. One after the other, 21 economists from all over Australia—including former governors and deputy governors of the Reserve Bank—from all different political persuasions are all saying that we are on the right track, that the government, through its stimulus package, is doing the right thing by the Australia people and the right thing by small businesses.

Yet we have this miserable lot over here always talking the economy down, exaggerating the unemployment figures, as they did when Senator Coonan, the shadow finance minister, said that there were 155,000 jobs lost a couple of months ago—and it was nothing like that. It was the same thing with the shadow Treasurer saying that there were 80,000 jobs lost—and it was nothing like that. They are always talking the economy down. Today, on Sky Channel, the shadow Treasurer was asked this question. He was critical, yet again, of the government’s stimulus package. When asked about this he said, ‘Well, we would have a smaller stimulus package.’ He was asked this question: ‘Okay, can you say that the economy would not be in recession with your alternative stimulus package?’ Do you know what he said? He said, ‘I don’t know—we don’t know.’ We do not know whether the economy would be in recession under their economic policies. Well, you should know.

If you are going to implement policies like these, if you are going to implement policies to halve the stimulus package, come into this parliament and say: ‘We don’t know. We don’t know whether there would be a recession or not.’ These things matter. These things matter to the Australian people. It matters whether there is a recession or not. It seems as if it does not matter to the opposition leader and it does not matter to the shadow Treasurer, but it certainly matters to
the Australian people. These are human beings—these are decent Australians—and 210,000 more Australians would have lost their jobs with the economic policies being advocated by the Leader of the Opposition and the shadow Treasurer.

Time and time again they are talking the economy down. Get with the government. Get with the strength. Get with the Australian people. Support small business in this country. You are a disgrace to the Liberal Party, an absolute disgrace! You have made a mockery of the once great Liberal Party.

Opposition members interjecting—
Dr EMERSON—Get in and support small business and support Australia. Support the government’s initiatives and be responsible, instead of talking the economy down.

Opposition members interjecting—
The SPEAKER—Order! Order! The House will come to order. The Leader of the Opposition has the call.

OzCar

Mr TURNBULL (3.30 pm)—My question is to the Prime Minister. I refer the Prime Minister to his standards of ministerial ethics. I ask the Prime Minister: does he really expect the Australian public to believe it is appropriate for a Prime Minister, who receives from the taxpayer free of charge two houses, several cars, chauffeur driven Comcars and travel on Air Force jets, to also receive another free car from a car dealer who is seeking finance from a taxpayer funded finance company with the help of his own Treasurer?

Honourable members interjecting—
Mr RUDD—Let it be known that this is the day that the Liberal Party hauled up the white flag on the economic policy debate for the nation and instead decided to go the low road. We have moved from the politics of fear to the politics of smear. Unfortunately both of these things are traditional strengths of the Liberal Party. We have seen them deployed in the past; it seems we will see them both deployed in the future.

I noticed that, in the question just posed by the honourable member, he referred to an official residence, Kirribilli. I seem to remember that Kirribilli was used for a particular purpose by the Liberal Party and their office. It was called fundraising. I remember also that when it came to official establishments in general they were used for fundraising purposes. The Lodge and Kirribilli were used to raise funds for the Liberal Party. They were used to derive funds to support the election or re-election of members represented on those benches opposite. I say to the Leader of the Opposition: does he regard that as an appropriate standard?

Honourable members interjecting—

Mr RUDD—I also draw the attention of the Leader of the Opposition, given that he is now a custodian of the high standards of this place as reflected by his contributions in many fields prior to coming to this place, to the fact that on the question of the official establishments which he just drew attention to in his question, the decision that my wife and I have taken in relation to Kirribilli is to throw it open for charitable fundraising. I would simply make the point of contrast that on a regular basis charitable organisations use Kirribilli to raise money for charities which deliver services to Australians in need. Mission Australia and others are there every month or so, raising money, deservedly, for
deserving organisations. It seems that the definition of a deserving organisation, when those opposite were in power, was the Liberal Party.

Australians expect in this time of global economic crisis that we will actually engage in a debate about the future of the country, about people’s jobs and whether they have security of employment, about small businesses struggling to get finance, about car dealerships trying to stay afloat and about businesses out there in the economy trying to secure finance for their operations. This government has acted with every peak industry body in the country—the Australian Chamber of Commerce and Industry, the Business Council of Australia; the Australian Industry Group; the small business organisation, COSBOA; and those bodies representing other industries across Australia—and do you know why? It is because we are in the business of making a difference for people at a time of extraordinary economic duress. We have a positive plan for the country’s future. We intend to build the Australian economy up, and I say to those opposite: you are seeking to talk the economy down.

Drugs

Mr MURPHY (3.35 pm)—My question is to the Attorney-General. Attorney, will you update the House on recent progress in tackling international drug trafficking?

Mr McCLELLAND—I can advise the House that yesterday the Australian Federal Police and the Australian Customs and Border Protection Service dismantled a major international drug-trafficking syndicate. Six arrests were made. There were five people arrested in Sydney and one arrest was made in Canberra. The seizure included 200 kilograms of pseudoephedrine. It also included 1,860 litres of precursor material contained in eight 44-gallon drums. That precursor material was sufficient to make 150 kilograms of methamphetamine worth some $15 million on the streets. The operation followed seven months of extensive work between the Australian Federal Police and the Australian Customs and Border Protection Service resulting in conspiracy charges against the members of the alleged syndicate. The operation represents an outstanding example of cooperation between our law enforcement and border protection agencies and I remind the House that it comes on top of the four tonnes of ecstasy that were seized late last year, which was a world-record seizure. And, in addition, at that time a substantial amount of cocaine was seized.

This is a serious warning to those who would attempt to import prohibited substances. They will be stopped, they will be charged and they will be prosecuted to the full force of the law. I conclude by congratulating all those involved in the operations, led at the Australian Federal Police level by the National Manager—Border and International, Ramsay Gabor, all officers of the Australian Federal Police and members and officers of the Australian Customs and Border Protection Service.

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

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.37 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.

QUESTIONS TO THE SPEAKER

Parliament House: Security Staff

Mr FARMER (3.37 pm)—On 1 April this year the Daily Telegraph reported that 25 parliamentary security staff positions would be made redundant. In Senate estimates on 25 May this year, Mr Alan Thompson, Secre-
tary of the Department of Parliamentary Services, stated that this decision was taken prior to a comprehensive review by the Attorney-General’s Department into appropriate security levels in this House. How can the government continue to say that the 2009 budget was designed to support jobs in this country when 25 Parliamentary Staff employees will be forced into unemployment queues? As there are over 860,000 visitors to Parliament House every year, how can the government confidently say that they are not reducing security to dangerous levels, particularly in light of the fact that they have not yet completed a comprehensive audit due to be released a little bit later on this year?

The SPEAKER—First of all, I could give a very simple answer: I cannot speak on behalf of the government, and, if this is the end of a very bad fortnight for me, I would hate to show bias by speaking on behalf of the government. Having made that point, it might get through to people. The question was definitely couched in terms of what the government’s response is. I cannot give a government response. But I will give an answer because they are matters that are appropriate to respond to members about. As has been revealed by the matters mentioned by the member for Macarthur, there was comment before the budget, which he related to the *Daily Telegraph*. I will leave it at that.

In estimates, which is the appropriate body where these questions are raised, Mr Thompson, as the Secretary of the Department of Parliamentary Services, has given responses about the matters that are under consideration by the Presiding Officers as a result of allocations in the budget. I have asked the Secretary of the Department of Parliamentary Services, because it is obvious that there is an interest in these matters by members of the House and because we do not have a staffing and appropriations committee where these things can be discussed—members may take a chequered interest in what the estimates committee does—and because this is a small village where there is a lot of discussion about future proposals for this place, to inform members of the point that has been reached in the consideration of budgetary matters.

Whether or not we have an overlap between the proper investigation and implementation of the Parliamentary Security Service, there has been a longstanding discussion with people who work in that area about the way in which efficiency dividends have been applied to the parliamentary departments for over a decade and, as submissions to the Joint Committee of Public Accounts and Audit reveal, this puts the parliamentary departments in a very difficult position. This is not only because of decisions in this budget but also because of the result of historic decisions over budgets, and it is something that the Presiding Officers are trying to come to grips with, paying the greatest attention to the amount of attrition that might be required to achieve the outcomes that we need.

**MATTERS OF PUBLIC IMPORTANCE**

**Private Health Insurance**

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

The failure of the government to support the private health insurance system.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—
Mr DUTTON (Dickson) (3.42 pm)—

What we know about in 18 months of this government already is that it is a government of many faces. There is certainly a case that has been made out today that this is a Prime Minister of many faces and we know that the Minister for Health and Ageing, sitting today at the table, is a minister of many faces. This government has been built on a fraud. It went to the Australian people last year saying one thing and it has delivered something very, very different. There is no better example of that than in the area of health. This is a government which predicated its election on saying to the Australian people that not only would it fix the public hospitals but also it would fix them by mid-2009. There is only a matter of a few short weeks to go before we reach that deadline and there is absolutely no prospect of this government fixing public hospitals by mid-2009.

In fact, over the last 18 months there has been no doubt in the minds of all Australians that public hospitals around the country, and in particular in regional and rural areas, have deteriorated in the services that they have provided to patients in those hospitals. Not only did this government mislead the Australian people at the last election about patient outcomes but also they misled those hard-working people who are working in the health sector, be it in the public or private system. This is a government which promised so much. It promised to end the blame game. It promised to fix these hospitals and, over the course of the last 18 months, it has gone from one bungle to the next. The minister in the area of health has gone from one bungle to the next, which has made the situation in health not just in the private sector but also in the public sector in this country much worse.

Let me take the House through a little time line of this minister’s contribution to the private health insurance debate. On 26 September 2007, the health minister issued a press release headed ‘Roxon promises to retain all existing PHI rebates’. This is what the press release said:

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians … The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

This was a scare campaign, the minister claimed at the time. Only a couple of months later, on 20 November 2007, there was a letter from the now Prime Minister, then Leader of the Opposition, to the Australian Health Insurance Association. He said:

both my Shadow Minister for health, Nicola Roxon—‘the illustrious Nicola Roxon’; no, he did not say that—

and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians. Federal Labor will also maintain Lifetime Health Cover and the Medicare Levy Surcharge.

They were the words of the Prime Minister only a short time ago. On 25 February 2008, Mr Rudd said that rebates would remain unchanged. He was quoted in the Australian as saying:

The private health insurance rebate remains unchanged and will remain unchanged.

In May 2008, the health minister stated on Macquarie Radio:

We continue to support the 30 per cent, 35 per cent and 40 per cent for those Australians who choose to take out private health insurance.

Towards the end of 2008 we found out something very different. In Senate estimates we discovered that at the end of 2008 this minis-
ter decided to seek advice from the Department of Health and Ageing, not about how they would maintain support for the 30, 35 and 40 per cent rebates, as was continually espoused not just by her but also by the Prime Minister, but about how to change the rebates. Out of one side of her mouth, the minister says that they are continuing their support for existing rebates for people in private health insurance and yet, out of the other side of her mouth, behind closed doors, she asks her department to go off to see how they can tear down the rebates. This is a duplicitous government and a duplicitous minister. We learnt in Senate estimates that on 8 September 2008 the minister told the Health Insurance Association conference: ‘Consumers will still be able to claim the 30 and 40 per cent rebates.’ This is despite the fact that this minister has been organising with her department to devise a scheme which will pull away the government’s support for the private health insurance rebates.

We know that on 12 January 2009 the minister got departmental advice on the changes—she actually physically received it. On 20 February the Treasury advice on the rebate changes arrived for the government. On 22 February this year, the health minister got Department of Finance and Deregulation advice on rebate changes. On 23 February the advice of the Department of the Prime Minister and Cabinet arrived for the minister’s consideration.

Let me repeat it to the House: this was not advice about how they could live up to the promises that were made to the Australian people that they would further enhance private health insurance coverage in this country; this was advice about how they could go about tearing private health insurance down. This was about how, because of their ideological stand against private health, they could undermine and tear down the private health insurance system in this country—despite the fact that during the campaign they made solemn promises on a number of occasions to the Australian people that they would maintain the rebates and therefore the incentive for people to stay in private health.

Why is this debate so important to the Australian people? It is for a number of reasons—firstly, we have to maintain public confidence in our health system in this country, and this minister has over the last 18 months only gone about undermining the support of that system. People have taken up private health insurance for a number of reasons over the last few years. Principal among those reasons is the fact that many people are disturbed by what they see in our public hospital system and what has happened under the control of the state governments, who own and operate these public hospitals, over the last 10 years. Australians were provided with support by the previous, coalition government to maintain their private health insurance because, if we did not—if we had a situation in this country where we drove the 10 million or 11 million people out of private health into the public system, which is the want of the Rudd government—then our public system would collapse under the pressure. There is no question about that. People read stories in the newspapers on a daily basis about failures in public hospitals around the country, and yet they expected this Prime Minister to deliver on his promise that he would fix public hospitals by 30 June 2009—only a matter of a few weeks away.

This is an amazing revelation about the government. They believe that Australians are wrong, that public hospitals have been fixed and that there is no reason for the Prime Minister to live up to his promise that he would further improve public hospitals and that he would maintain support of private health insurance. That is something this minister and this Prime Minister should be condemned for.
If we look at the record not just of this government but, importantly, of the previous government and the government before that, we see that this ideological attack on private health by the Labor Party started a long time ago. We know that Labor’s record in relation to health over 13 years when it was in government was a disgrace. It was a disgrace because we know that private health insurance membership when Labor was last in power fell from 64 per cent to less than 34 per cent. Health insurance premiums rose on average by 12 per cent year on year and there was no commitment to quality and safety in hospitals or community care.

Contrast that for a moment, just in terms of private health, with what the coalition did over a period of 11 years. Whilst Labor dropped private health coverage from 64 per cent to 34 per cent, we increased it from 34 per cent to 44 per cent. That was a remarkable achievement in the face of the fact that this Labor Party when in opposition—not just when they were in government previously but when they were in opposition—completely opposed every move that we put in place to support, underpin and strengthen private health insurance in this country. We know that under the coalition total investment in health went from $19.5 billion in 1995-96 to $51.8 billion in 2007-08 and that support under the PBS went from $2.2 billion in 1996-97 to $6.4 billion in 2006-07.

Why do we find ourselves in a position where we have a government having promised to support private health now attacking it? As I said before it is an ideological bent that this government has had against private health from day 1. But there are other reasons of course. We know in relation to the advice that we have received through Senate estimates that over two million Australians will be impacted on by these changes. The government proposes, in their rip-apart of current changes—leave aside the changes they made to the MLS in last year’s budget—that people will face increased premiums, because this government predicts that they will raise $1.9 billion in extra revenue over four years, and that money has to come from somewhere. This government goes around saying ‘Well, only 25,000 Australians out of the 11 million will drop their private health cover and only those people will be impacted.’ These are the ones referred to as the so-called rich as part of this debate. But there are over one million Australians who have private health insurance and who earn $26,000 a year or less. Those people are going to be impacted and hit hardest by the cruel cuts that this government is putting in place in relation to private health, because there will be a roll-on impact to those people who maintain their private health coverage. Many part pensioners who have private health insurance will drop their private health insurance, or they will drop their ancillary cover or they will drop part of their hospital cover. They will drop it because there will be extra premium pressures because of this government’s cruel decision.

This government has made this decision not just because of ideological reasons but, clearly, because they are desperate for revenue. So at a time when they have ripped $1.9 billion out of the assistance for helping people to stay in private health they have also put in place some incredibly cruel cuts in relation to the health budget announced only a few weeks ago: they have cut money from cataract surgery, which was an incredible decision by this government, and they have cut money for providing support to families who need an IVF program to have a child. And from some of the correspondence, surely, not even this minister in her darkest day of incompetence could be blind to the fact that people are suffering because of this government’s economic incompetence.
In closing, I say in her defence that most of this clearly could not have been driven by this minister; it could only have been driven through a cost-cutting exercise by the Treasury and the finance department. Sure, they are ideologically opposed to private health insurance—they hate it; they hate the fact that people have private health insurance. They would prefer a nationalised system similar to that which operates in the UK, but the reality is that not even this incompetent health minister, in her darkest hour, could have contemplated cutting funds to cataract surgery or to the IVF program. If these are examples of the way in which this minister has administered her portfolio, then pity help health in this country over the next 10 years, because this style of management is an exact replication of what has gone wrong in the way in which Labor has managed health at a state level over the last 10 years. If this minister rolls up to cabinet each time and has put in front of her decisions from Treasury and Finance about these cost-cutting exercises, which are not going towards health outcomes at all, then she is not worth the huge amount of money she is paid.

The Australian public deserve more in relation to the health debate and they are not getting it; they have not got it over the last 10 years from Labor and they certainly have not got it over the last 18 months from this government, because this government is not about improving the health system; they are about tearing it down; they are about covering up the mistakes of their incompetence at a state level; and they are at their core about trying to rip apart private health in this country. And if they succeed in doing that—if people drop their health coverage or they make private health unviable for many low-income earners—it will be a sad day.

I cannot sit here and have the shadow minister shed crocodile tears over people who are on very low incomes, scaring them that something is going to happen to their private health insurance, when in fact what the Liberal Party is trying to do is ask those very people to pay for the private health insurance of people who are better off—to pay for the member opposite’s private health insurance rebate and to pay for my private health insurance rebate. I do not expect people on low incomes to help fund my private health insurance. I do not think it is sustainable for the Liberal Party to act under the pretence of this being some massive attack on private health rather than a sensible and targeted change that is needed in these difficult financial circumstances. I do not think
you can actually take the member seriously when he says he is worried about those people on low incomes.

I also cannot sit here and have the shadow minister shed crocodile tears over the issue of our public hospitals. You have to have a fair amount of gall to have been part of the previous government, part of the previous cabinet—oh, no, he was not in the cabinet—who pulled a billion dollars out of our public hospitals, happily washed their hands of it, blamed everything that went wrong on the states and were not a partner in trying to fix the system, and then expect us to have fixed every single problem after we have been in government for five minutes.

He wants to verbal the Prime Minister and me about the promises that were made, but our promises were very clear and we stand by them. We are going to make an assessment in the middle of this year of whether or not the Commonwealth should take over financial responsibility for hospitals. In making that assessment, we are going to look at the final report from the Health and Hospitals Reform Commission and the progress that has been made with our state and territory governments.

It does not serve our debate about health well to have the shadow minister constantly talking down the system, saying that things have got worse and ignoring that some of the indicators are improving. The truth of the matter is that the biggest indicator that is improving is the Commonwealth’s investment in a partnership with the states and territories. Of course, that investment will take time to start showing, but we have seen the things that we can measure quickly, like our investments in elective surgery, far exceed our targets. We have seen the states sign on to agreements for quite significant reform. We are seeing change. We are seeing emergency departments being rebuilt across the country. We are seeing new elective surgeries—I opened one fairly recently here in the ACT—with money from the Commonwealth that the previous government was never prepared to invest in the system.

If we are going to have a fair dinkum debate about private health insurance, that is fine—let us have a debate. Let us have a debate about whether or not somebody earning over $120,000 a year needs to have Commonwealth assistance via the rebate, paid for by the taxpayers—

Mr Laming—You promised it wouldn’t change.

The DEPUTY SPEAKER (Ms AE Burke)—The member for Bowman!

Ms ROXON—to keep their private health insurance. Do couples who earn more than $240,000—

Mr Dutton—Why did you promise it, then—why did you promise not to change it?

Ms ROXON—a year deserve to have their private health insurance rebate paid for by pensioners and low-income earners?

Mr Dutton—Why did you promise exactly that?

Ms ROXON—We exactly know—

The DEPUTY SPEAKER (Ms AE Burke)—The member for Dickson!

Ms ROXON—The shadow minister can bellow all he likes, but the Prime Minister and I are on the public record saying we have changed our policy. We are quite open about that. We have changed our policy because the global financial circumstances mean that we have had to change our policies in a number of areas.

Opposition members interjecting—

Ms ROXON—If they think it is funny that we are looking at the pressures that this puts on individual families, on the health budget and on the whole economy then they
have been living in a different world for the last few months, and for the last year, than everybody else.

This is a change which is carefully designed and carefully targeted. By reducing the rebate only for those that are on higher incomes, by staging it and by increasing the surcharge, we have been able to ensure—

Mr Laming interjecting—

The DEPUTY SPEAKER—The member for Bowman is warned!

Ms ROXON—as shown in the Treasury modelling, that only a very small number of people will drop out of private health insurance. The estimate is 25,000. That will of course have some impact, but, with nearly 10 million people with private health insurance, it is a negligible number. We even have those in the industry, the chairman of Healthscope and others, saying that, because the surcharge is also changing, very few people will decide not to continue with their private health insurance.

So, yes, difficult times mean difficult decisions need to be made, and we have made one of those decisions. We now ask the parliament, the Senate and those opposite if they could look at this in a sensible way and actually assess the impact and who is targeted. If you are a single-income earner earning more than $120,000, we do not think the public needs to help you pay for your private health insurance. For couples or families, $240,000 is the cut-off point. We think that is reasonable, but we have not heard any debate about that in here. We have not heard why the member opposite or the Leader of the Opposition, if they have private health insurance— I do not know whether they do—think that other taxpayers and low-income earners should help fund that. There is no sustainable argument.

If the member came in here and said, ‘I think the cut-off is wrong,’ ‘I think these people are earning more,’ or, ‘Let’s have a serious debate about the impact on public hospitals,’ then we would take their concerns seriously. But we do not, because for the whole 15 minutes of the debate the member opposite pretended that the millions and millions of Australians who will get a sustainable, ongoing benefit because of the decisions we are making have been ignored. They are running a campaign that is pretending that we are abolishing the rebate altogether, and that is true to form—it is what they have said in the past. I have had, as I am sure other members have had, people, worried and concerned because of the comments of the Leader of the Opposition and the shadow minister, calling up to say: ‘What are the changes going to do to me?’ ‘Well, what’s your income?’ and explain how it works, they say, ‘Oh, I’m not affected at all; that seems very reasonable. Higher income earners are not going to get it: that’s fair enough.’ But we do not hear any of that sort of debate going on. It is really a pathetic effort from the shadow minister opposite.

One of the other things that I think does not serve us well, as I said, is talking down the system all the time when we are actually starting to see some changes. I would not for a moment stand here as the health minister and pretend that there are not serious problems and challenges in a number of public hospitals. Our job as elected representatives is to try to fix those problems. But you cannot expect everything that has been destroyed in 11 years of neglect, blame, pulling money out and not cooperating with the states and territories to be instantaneously fixed. That is just not a possibility. We need to have a proper debate about how to fix the problems. If we had even an idea from the member opposite about how we could start to have a real debate.
The only contribution that he and his leader have made so far is that they would like to get private patients out of public hospitals. In their perfect world, everybody would have private health insurance. They are absolutely, deadset determined to talk down our public health system, to starve it of funds and to say that it is not improving at all, when it is. Maybe that is why they want everyone to have private health insurance—maybe the Liberal Party sees no space at all in the community for a public health system. We have a very different view. We think there should be a strong public system and a strong private system. We think having a balanced approach actually enhances the services that both the public sector and the private sector can provide. That is why we have invested an extra $64 billion into our public hospital service. That is a 50 per cent increase on the previous government. That money will start delivering real improvements, real services, real extra doctors and real extra nurses every single day that the next five-year agreement runs for. But do we hear anything from them about that? No, absolutely nothing.

The contribution from the member for Dickson and the Leader of the Opposition of getting everybody out of public hospitals and into private hospitals and of saying that if you have private health insurance then you should not use the public hospital system is just a downright silly idea. We know it is silly because we know that, even if you are privately insured, you might still need to use a public hospital, particularly if you are in an emergency situation. I am sure that the member opposite is not so slack in his duties as the shadow minister for health that he is not aware—

Ms ROXON—I am being generous. I know that is being generous but I am sure that even he would be aware that most of the private hospitals around the country do not have emergency departments. I think the shadow minister’s suggestion that, if you have private health insurance, you should not be allowed to go to a public hospital is all well and good, unless you have an emergency and need to go to a public hospital to be treated. There are 24 emergency departments in private hospitals. That is all there is across the whole country. For example, is there anybody here from New South Wales?

Ms ROXON—Yes, we have a couple of people from New South Wales. If you have an emergency in New South Wales, the only private hospitals that have emergency departments are in the middle of Sydney. If you have an emergency and you are not allowed, as a privately insured person, to go to a public hospital and you are in the Minister for Ageing’s electorate, do you expect people to travel to Sydney to get their public hospital services? If you are in Dobell or Shortland, do you expect that privately insured constituents in those electorates should be travelling down to Sydney to get their emergency department treatment?

Mr Dutton—that’s rubbish!

Ms ROXON—it is your suggestion, Shadow Minister. The reason it is your suggestion is that you think that private patients should not go to public hospitals. You are on the record having said it. The Leader of the Opposition is on the record having dreamed his utopian dream that everyone should have private health insurance. Our system will need to fundamentally change if he is going to make it work.

Let me have a look who else might be here. Do we have any Western Australian members? That is going a little bit too far away. In Queensland there are hardly any so we really are not going to be able to—
Honourable members interjecting—

The DEPUTY SPEAKER (Ms AE Burke)—Order! There has been enough about football for the last couple of days. Let us get on with the MPI.

Ms ROXON—Even if it is good-humoured, I have to say I think it is a sad reflection that those opposite are only interested in talking about football when they have the opportunity to debate our private health system and our public health system. I really think it is fairly pathetic.

The other thing that the shadow minister refused to mention and did not actually want to look at during his entire debate, where you might have expected that he would talk about those in the community who he thinks will be most affected by these changes, are the tax cuts that are being delivered by the government on 1 July in advance of these measures coming through. If the shadow minister wants to be honest about the impact on families, he should look up the tax scale of those who earn $120,000 as a single or $240,000 as a couple. When they stop receiving support for their private health insurance rebate, depending on the product that they have—anywhere between $300 to $500—most of them will receive three, four or five times that amount in a tax cut. You cannot in these circumstances say that these people will not be able, either on their ordinary income or when they take account of the benefits provided by the tax cuts, to afford to keep their private health insurance.

But we agree with those opposite that we want to keep people in private health insurance. That is why we are increasing the ‘stick’ if people on high incomes choose not to take out private health insurance. But that has not been mentioned even though it is a key part of the changes that we are making. Ultimately, I am disappointed that the shadow minister, with an opportunity to talk about serious health issues, came in and talked down the public health system. He wants to scare those eight million people who will not be affected in any way by these changes. He wants to pretend that we are not still spending billions of dollars every year on the private health insurance rebate when we are. He honestly wants the public to believe—(Time expired)

Mr LAMING (Bowman) (4.12 pm)—The reason for today’s MPI is fundamentally an issue of deceit. It comes across very rarely in politics that you have true barefaced deceit and this is just one of those moments. If you read out the statements by the then opposition health spokesman and the then aspiring Prime Minister, it is absolutely cut and dried. Ordinary people who do not live in this chamber or watch it every day will see the promises and the commitments made in private health to have been rock-solid guarantees. You have erosion of that and the kind of deceit where you simply turn about on what you claim before an election in order to win and then tear it down immediately after. You see it very rarely. That is why it has to be highlighted and it will be today.

The second issue here about changing health outcomes being a slow process is quite right. But it was not this side of politics that went to the Australian people and said: ‘We will set a deadline. We will put a line in the sand at full time—to use a football analogy—and, by June 2009, we will be taking over the health system if there are not substantial improvements.’ Look at the words very closely. They did not say, ‘If there is not more investment put into health then we will take over.’ They simply said, ‘We will fix the health system.’ Those blanket promises were taken very seriously by Australian voters. They trusted in the Prime Minister that we would see a change. What you are witnessing today if you are listening in to this debate is a complete shift from outcomes in health that
mean so much to every Australian to inputs. Now we have a Prime Minister who is utterly focused, more as a bureaucrat than a leader, on inputs. They are really just trying to conceal the very fact that the health system has not been improved at all. We can promise these enormous amounts of money from billion-dollar funds, from sources which the average Australian does not understand, but that is not making our health better.

If you go right down to my community, where we expected a change in health outcomes, they were promised a new helipad on top of the hospital. It sounded great. But it did not improve the health of the local community, so they built a waiting room for the waiting room. That didn’t improve things either. The fundamental misunderstanding here is that inputs do not always mean improvement in outcomes.

In the time I have available I want to touch on five issues. PHI will be the main one, and the final one, but let us just look at what has been an utter fixation, verging on needing medical attention, on alcopops. When it comes to health, this government has virtually given no attention to anything except alcopops. We effectively have a minister for alcopops in this government who has abrogated any responsibility for the health system. On smoking, the perfectly legitimate proposal was put, as an alternative funding measure, to increase the tax by around three cents per cigarette. You would have thought the politburo of left-wing health economists would have rallied behind that but, no, they remained mute and this government refused to accept a simple proposition that could have supported our private health system.

I move on to cataracts. I did not choose a life as a cataract surgeon; I chose one here. But I know that many cataract surgeons across Australia spend enormous amounts of time delivering these kinds of services and making a loss in remote and rural areas. These surgeons will tell you, if only the government would listen, that it becomes virtually uneconomical to perform an operation for a Medicare rebate that is less than the mark-up on a pair of designer spectacles from an optometrist. If you just keep trying to slash capacity and squeeze funding, there will eventually be some sort of kickback in quality. Without meaning any offence, what we have, effectively, is a health minister who is so far down in the caucus pecking order that it is unlikely we are ever going to get meaningful reform of health. That is just a political reality, and that may well be Australia’s lot for the next three years.

The greater problem here is that we have a health minister who is hostage to Treasury. We have a health minister who is selling Treasury cost-cutting measures more vigorously than any other form of health reform. It seems like the only things that come through the current health minister are basically Treasury minutes to save money. It is quite okay to say we have a global financial crisis, but let me make two points. First of all, there was, effectively, no means testing of stimulus payments. There was no targeting of stimulus payments towards those who needed them most. People who did not pay tax, the disabled and the unemployed effectively missed out. If your philosophical interest is one of looking after the battler, you would think you would have some solutions after 18 months. When you choose your own deadline on performance, you would think you would see some improvement. I can show you every health report card that has come out in the last 18 months, and there are no significant improvements. That is a real problem for the government. Just ask all of
the groups—they have been asked to comment. We know from the Private Hospitals Association the impact these changes will have. We know from the surgeons the impact they will have on waiting lists.

I want to draw attention to the changes to PHI and what they will do to the poorest of Australians. This is so detached from the government’s thinking that they do not realise that when people move from private cover onto the public system, for whatever reason—number them in your thousands if you wish—those people queue up at public hospitals or they turn around and elect to pay a much bigger gap. This is the great challenge of health delivery in all developed countries: even with insurance, there is a gap. What this health minister is doing is making those gaps for ordinary Australians chasing a cataract operation so much larger. What happens when gaps go up? The wealthy pay the gap and the poor do not. So what this health minister is doing in nickeling and diming the average Australian who is paying for their private health cover is simply guaranteeing that the wealthy can still pay for a one-off operation without paying for private health care, and let it be someone’s grandparents, and the people who cannot pay that even greater gap miss out. It is quite a simple equation.

What we know from the report cards from the AMA is that there has been no improvement in the time the Prime Minister promised an improvement. We know there is no improvement in hospital beds, we know things are getting worse with cost adjusted separations and we know that people are waiting longer in the waiting room. We know there is juggling of waiting lists to make it better, but I think everyone listening to this debate knows that we are not seeing the improvements that we need to. I can almost imagine a conversation between the current health minister and the Prime Minister: ‘It is June 2009; where are we now with improvements in health?’ ‘Well, we have been really focused on the alcopop measure, and I need to remind you that that was a health measure, to reduce binge drinking. We have no figures on that whatsoever. We have a binge drinking problem that we had two or three years ago. We just have ordinary Australians drinking less alcopops.’ ‘Okay, well, we might need another reason.’ ‘Well, we have a prime minister out looking for hair dryers in Afghanistan and flying around the world annoying flight attendants, and he really has not been able to truly turn his mind to health the last 18 months.’ Once again, he made the promise to the Australian people of significant improvements in health.

Finally, what we have under the cloak of secrecy and hidden in the detail of the budget are these slashes to the very promises that were made before the election. Ordinary Australians have picked it up. They remember the promises. They did not have to be listening to the radio; they know the promises and they know that they are not being kept. To suggest that Australia is on the one hand performing so well in the global economic crisis and not slipping into recession but that at the same time we cannot afford to deliver basic health care is that dishonest contrast that I think becomes obvious to the Australian people. In answer to the health minister, who said ‘I don’t see why as a government we should be helping people earning over $75,000, tapering to $120,000’, the answer to that is simple: all around the developed world we have had one fundamental tenet in the delivery of social policy, and that is that we do not means test access to health. It is just one area where we try to keep some
semblance of equity. That distributive notion upon which I thought that party was founded is actually disappearing. Sure, they can start to attack health, and the next moment they will be means testing education, and then they will be means testing welfare even more. This is the slow and steady creep of Labor ideology successfully veneered over by the Prime Minister at the last election campaign but it is now coming through. It is a very important to point to make, and it has been made in this MPI, because today marks that line in the sand—the promise made by our Prime Minister has not been kept.

In closing, as we go around the country people will see that where there was a promise for improved health care it has not happened. Where there was a promise to protect PHI we have seen thousands of families who are effectively going to be pushed off that cover, and that will have a snowballing effect. It affects people who otherwise were contributing large amounts of money out of their own pocket into health care; it affects those under $75,000, who have to pay higher rebates, and that is completely obvious; and, most concerning of all to me, when it comes to access to surgical services and waiting lists, he or she who can pay the gap will get the service. This is not the health system that anyone in this country deserves. (Time expired)

Ms HALL (Shortland) (4.22 pm)—This has certainly been an edifying debate so far. We have had the member for Dickson come into the House, move a matter of public importance and pretend that the government does not support private health insurance when actually everyone on this side of the House supports a strong public and private health system. We are committed to strengthening not only private health but public health and the health system as a whole. We have also had the member for Bowman make statements that, ‘Everybody knows,’ ‘This is a fact,’ and ‘That is a fact,’ but he is not presenting any evidence whatsoever to back up the statements he makes.

Mr Perrett—Puffery.

Ms HALL—As the member for Moreton says, it is puffery and he would know that the member for Bowman is an advocate of puffery because their electorates are near each other, and he would also have seen the performance of the member for Dickson. The member for Dickson is a man who is a slave to sectional interests. The alcopops debate showed how much he was in the pocket of the distillers. On the one hand it was put forward by the member for Bowman that we should not have supported the position we did on alcopops, and on the other hand he was quoting the AMA’s report card. I say to the member for Bowman that the AMA supported the government’s position on alcopops. They saw that it was a very important initiative. It has been read into the records of this parliament on various occasions by a number of speakers and that is fact, whereas the member for Bowman talks about ‘everyone knows’.

When it comes to the health insurance industry, we support private health insurance and we also support private hospitals. But we like to put a line in the sand between us and the private health insurance industry, whereas the member for Dickson runs to them all the time for advice. My question to the member for Dickson is: when is he going to stop being a slave to sectional interests and become a slave to the Australian people? When is he going to listen to the people of Australia and make decisions that are based on their interests? He is one of the most out-of-touch members of this parliament.

Let us be very clear here and make sure that all the people in Australia listening to this debate know what the member for Dickson wants. He wants people on low incomes
to subsidise his private health insurance. He wants people that are earning a third of what he earns to subsidise his private health insurance. I do not expect that; I do not expect the people of Shortland electorate to subside my private health insurance.

The member for Dickson and members of the opposition generally have put forward a smear and fear campaign. They have put forward a proposition that this policy will have an impact on pensioners. Mr Speaker, show me a pensioner who is earning $75,000 a year. The member for Dickson is distorting the truth, he is not being honest with the Australian people and he has put forward a position that is just blatantly untrue.

The member for Dickson was a minister in the failed Howard government that chose to direct a large proportion of its spending on health to the private health insurance rebate. It ripped $1 billion out of hospitals, it closed the Commonwealth Dental Health Program and it claimed that it supported dental health through the private health insurance rebate. There are a number of people within Australia that received absolutely no assistance from the former government in relation to dental health. The former government put in place the chronic dental health program but there were only a very, very small percentage of people that could actually access it. There was a message for the member for Dickson from a GP in a coalition-held electorate which was that the program did not work, that it took a lot of time and effort and that the outcomes were very poor, and there were a number of people who missed out when they should not have. The government has a Dental Health Plan for all Australians but has been frustrated by the opposition. Further, when the failed Howard government was in power they allowed a chronic workforce shortage in the mental health area.

I want to place on the record that the Rudd government strongly supports a strong, vibrant public and private health industry, and that the member for Dickson is just full of huff and puff. He is all about looking after his mates. He is not about universal health care; he is about a two-tiered health system where people who can least afford it have to pay for basic health care. We on this side of the House believe that any decision on health should be based on need and not on the ability to pay, and I condemn the member for Dickson for his stance on this issue.

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ADJOURNMENT

The SPEAKER—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

Petition: Youth Allowance

Mr TUCKEY (O’Connor) (4.30 pm)—Today I present to the House 6,581 signatures collected from around Australia, from every state, reflecting the efforts of many people, who, as the rules of the House provide, must provide their signatures and their petition on paper. They have managed to gain these signatures by way of collection and posting to my office in less than 10 days. I sent a note to the minister informing her of my intention of lodging this petition today. I am not critical of her absence, but I hope she will take note of the severe concern and devastation of people that has occurred, particularly outside of the metropolitan area, from the changes that the government has proposed in this place that will severely affect the opportunity of many young people to gain a university education and their ability to provide the skills they would acquire as schoolteachers, science teachers and many of the other people that the education minister so desperately desires to fill the new classrooms that she is building. I seek leave to present the document.

Leave granted.
Mr TUCKEY—My petitioners have underlined that the changes will take effect retrospectively.

In putting that argument on behalf of these 6,581 signatories might I add that these were brought over by a member of my staff and I am advised that they are still flowing into my office. Surely that is a message to the government. More importantly, the whole issue is one to which people have reacted so quickly and so purposefully.

In the moments left to me let me read the areas from which these signatures originate. As I said, they came from every state. In Western Australia: Collie; Dardanup; Perenjori; Buntine; Wubin; Hopetoun—a town that has just had 1,800 miners sacked; Geraldton; Capel; Applecross—which is a city locality; Albany; Morawa; and Bunbury. They came from Mount Gambier, Port Pirie, Port Lincoln, Port Augusta, Tumby Bay, Patterson Lake and Naracoorte in South Australia. In New South Wales they came from Port Macquarie, Moree, Forbes, Peak Hill, Parkes, Coonabarabran, Walcha, Bourke—a town that also lost 100 workers through a water buyback—Dubbo, Grafton and Albury; and electors from the electorate of Gilmore—

(Time expired)

The SPEAKER—The document will be forwarded to the Petitions Committee for its consideration and will be accepted subject to confirmation by the committee that it conforms with standing orders.

Waltz-Sing Matildas

Ms HALL (Shortland) (4.35 pm)—I would like to share with the House tonight a very special evening my husband Lindsay and I spent last Saturday with the Mayor of Lake Macquarie and his wife, Greg and Lyn Piper and two representatives from the Kiwanis Club at Maitland, Anna and Jamie Swanson. We were invited to a debutante ball at the Cardiff Panthers club. It was not your usual debutante ball; it was a debutante ball for dancers with disabilities. The group is the Waltz-Sing Matildas. These are a group of very special young people who sing together and provide entertainment for organisations, aged-care facilities and at special functions. They are quite a talented young group. They are also a group that have had to work hard and overcome a lot of barriers on their way to success. Previously they were known as Living Proof. They even performed at Disneyland when they were known as Living Proof.

John Thoroughgood and his wife, Carolyn, were the two people responsible for the tutoring and training of the debutantes and their partners. There was a box of tissues on every table, and those tissues were used by people that night. I cannot find words to express to you the way I and everyone else felt when a beautiful young girl got out of her wheelchair and was assisted by her partner to walk down the red carpet with a walking frame. It was a really special moment, a truly special moment. They had another wheelchair waiting for her when she reached the end of the red carpet. Debutante after debutante walked down that carpet accompanied by a partner who in many cases also had a disability. The light in their eyes, the spring in their step and the way each and every person there felt about that special night will stay in my memory for a very long time.

This was the second such debutante ball I have attended. There was another one with the same group seven years ago. At that time there was a different group of debutantes. At the ball they attended seven years previously one interesting thing was that each of those debutantes was dressed in red. When I spoke to the mothers, they said it was something that happened spontaneously; it was not something that was planned. I think that showed the joyous way they felt about the occasion.
Another highlight of the evening was when the debutantes did their waltz. They had been practising it since October last year, and they danced superbly. Once again, the moment that really left me with a lump in my throat was when the young girl in the wheelchair went out and danced. She had such grace. She moved so beautifully. She looked serene. It showed me what people with disabilities, people who have special challenges, can achieve. That night will live on in my memory forever. At the end of the evening, I was given a glass and they asked me to bring the glass to Canberra and put it in my office. I have done that, and each and every day as I look at that glass I will remember that special night. I wish all the members of the Waltz-sing Matildas all the best for the future. I know they will continue to succeed and sing. (Time expired)

Emergency Mobile Phone Calls
Mr JOHNSON (Ryan) (4.40 pm)—Mobile phones are a very important and very popular device in our modern world. Everyone seems to have a mobile phone—whether one is a teenager or an adolescent, is in business or is elderly. Indeed, my mum has one, and she is certainly not technically inclined. All of us in the parliament have one. We see people walking down the street using their mobile phones. We see people all over the place using mobile phones. Mobile phones can also be lifesavers.

I want to draw the parliament’s attention to a very interesting point that I know the constituents of Ryan, in the western suburbs of Brisbane, which I have the great honour of representing here in the parliament, will be very interested to know. Some 12 million emergency calls are made every year. More than half are made from mobile phones. More than half of the 12 million emergency calls made every year are made from mobile phones. But apparently ACMA refuses to embrace the technology, which does exist, to pinpoint where the call is made from. I want to say to the officials at ACMA, to the government and to members opposite in particular—who are part of the government—that I would like their support. I think all of us in this country would benefit enormously from drawing ACMA’s attention to the technology, which exists, for it to implement a system where mobile phone calls to 000 can be pinpointed. Apparently some 85 per cent of the 10 million calls made annually do not have emergency content. They are accidental or spurious and many are malicious. At this stage they are unidentifiable calls. This would have an enormous impact on the efficiency and effectiveness of emergency services in saving lives.

I want to draw the House’s attention, and the attention of the constituents of Ryan, to a very interesting article that was in the Australian on 2 June. It was drawn to my attention by many of the residents in my electorate. It raised the idea of trying to get ACMA to acknowledge that it has the technology and the authority to act. Apparently, for whatever reason, it does not want to act.

I want to raise this scenario. Let us say you are a parent and your child was out partying one night or out camping and they made an emergency phone call to 000. At this time, we would not be able to pinpoint that emergency phone call from your son, your daughter, your neighbour, your mum or your dad. We could make a phone call from one of the beautiful parts of Queensland to 000 and say that we were in a crisis situation, that it was an emergency and that we needed assistance and, for whatever reason, the call might get through and then be blacked out. As at today, we could not track that call. We could not pinpoint where that call was made from. Plain common sense must come in here. Surely common sense would dictate that, if we had the technology, if we had the
capacity to implement technically a system in our communications architecture so that a mobile phone call could be tracked and that could eventually save a life, we would do that.

I want to give my office number in the Ryan electorate and my email to anybody who is listening, certainly to those in the Ryan electorate, who might support this idea, because this is a campaign that I intend to wage very strongly until ACMA acts. This is something that should happen sooner rather than later. For the purposes of anybody either listening to the radio or watching Sky News, or anybody who has an interest and comes across this speech, my number in the Ryan electorate is Brisbane 07 3378 1599; my email is michael.johnson.MP@aph.gov.au. I encourage people to support this idea. Surely it is plain common sense. I represent the people of Ryan and I have done so with great honour and pleasure since 2001. I think that surely all of us would say it is a good idea for ACMA to support this initiative. (Time expired)

Alcohol Abuse

Mr MURPHY (Lowe) (4.45 pm)—I speak today on behalf of Reverend Bill Crews and the Exodus Foundation and their campaign for the mandatory labelling of a health warning on alcohol products. On 12 May this year I, along with my good friend and colleague the member for Bradfield, the Hon. Dr Brendan Nelson, again had the pleasure of meeting members of the Exodus Men’s Group here in Canberra to discuss the progress of their campaign. Some of these men are victims of alcohol abuse and they have experienced the full effects of such misuse. Members of this group are digging deep to share their very personal and painful experiences to expose the effects of alcohol misuse, particularly for our young people and vulnerable communities. Members of the Exodus Men’s Group wish to raise awareness of the unacknowledged problems of alcohol abuse and provide a catalyst for positive change. The evidence collected on the statistics of alcohol misuse is alarming. Listed on the foundation’s petition, it notes that 64 per cent of boys and 69 per cent of girls aged 14 to 17 years are drinking regularly; one in three Australians drinks at a level which risks short-term harm such as violence, injury and accidents; and one in 10 Australians drinks at a level which risks long-term harm such as addiction, brain damage and liver and heart damage. These are startling statistics.

At present it is mandatory for the labels of alcoholic beverages to provide information on the alcoholic strength of the beverage and the number of standard drinks in the bottle or container. However, there is at present no requirement for any health warning. Further, unlike non-alcoholic beverages and food, labels for alcoholic beverages are not required to list ingredients or nutritional information. It appears that currently very few requirements exist for alcohol container labelling. Moreover, there is growing public interest in tackling the obvious problems of alcohol misuse in our society.

In the 2004 and 2007 National Drug Strategy household survey, 70 per cent of Australians supported information in the National Health and Medical Research Council’s Australian alcohol guidelines being added to alcohol containers. Further, in a 2008 poll in the Sun Herald newspaper, 62 per cent of 15,000 people surveyed supported the inclusion of cigarette style warning labels on alcohol containers. In a petition I tabled with Dr Nelson in the House in June 2007, over 1,000 signatories, some from my electorate of Lowe, drew to the attention of the House that the misuse of alcohol causes significant harm to both the individual and the community. Further, signatories noted that, although
they are aware of the compulsory standard-drink labelling for alcohol beverages in Australia, such labelling does not contain sufficient information for consumers to be able to make an informed decision, as the risks associated with alcohol misuse are not included on current alcohol labelling.

Perhaps the growing interest in the introduction of better labelling on alcohol containers reflects the rising concern about the increase in the number of Australian youths consuming alcohol at unacceptably high levels. At an Exodus Foundation alcohol forum in June 2007, Professor Dr Ian Webster said:

Alcohol labelling has been tried and is in place in ten countries. The paradox is, when we sell wine from Australia in California, it has to have the labels on it but we don’t put those same labels on it in Australia.

The overwhelming evidence suggests that warning labels can serve as the first step in behavioural change through their impact on the cognitive and behavioural process necessary for that behavioural change. Further, a meta-analysis of research evaluating the effectiveness of alcohol warning labels, conducted by US researchers Gina Agostinelli and Joel Grube, found that warning labels have the potential to influence drinking behaviour and that this potential is heavily influenced by label design.

In light of the serious consequences of alcohol misuse on individuals, families and communities, the minimal information currently provided on alcoholic labels, and evidence to suggest that further information on labels has the potential to influence drinking behaviour, I support the Exodus Men’s Group’s campaign for better health warnings on alcohol containers. I commend the Exodus Foundation for its efforts to inform the wider community of the effects of alcohol misuse and its endeavour to help the youth of our country to avoid the serious consequences of alcohol abuse. Reverend Bill Crews stated in his petition:

The introduction of a health warning on alcohol products would be a logical and humble first step. I could not agree more. (Time expired)

Father Nguyen Van Ly

Mr SIMPKINS (Cowan) (4.50 pm)—I would like to take this opportunity to again speak on the issue of human rights in Vietnam. In particular, I will speak on the circumstances of Father Nguyen Van Ly, the Roman Catholic priest and famous pro-democracy dissident. Father Ly was born in 1947 and has spent more than 15 years in jail for his belief in freedom of speech and freedom of religion. I should also note that Father Ly is a man committed to peaceful and non-violent protest. Father Ly has been speaking about and taking action for democracy and religious freedom for many years. Since 1977 he has been harassed, arrested, brutalised and jailed for his activities. He was first jailed in 1977 for one year. In 1983 he was jailed for a further nine years for the charge of ‘opposing the revolution and destroying the people’s unity’. In 2001 Father Ly was again arrested for an alleged breach of probation. He was taken away from his church and some months later was eventually sentenced to 15 years. He was jailed for his activities promoting democracy, freedom of speech and freedom of religion. After several reductions in his sentence, he eventually served 2½ years and, although released from jail, he was placed under house arrest in Hue.

On 8 April 2006, a group of dissidents signed the ‘Manifesto on Freedom and Democracy for Vietnam’. The ‘Manifesto on Freedom and Democracy for Vietnam’ calls for a multiparty state in Vietnam. That group became known as Bloc 8406, named for the date they signed the manifesto. It calls for democracy and Father Ly was a founding member of Bloc 8406. A week later, Father
Ly and other catholic priests published an online, yet underground, publication known as *Free Speech*. Given the very strong controls by the Vietnamese government on the internet, this action can best be described as fearless. In September, Father Ly was also involved in the establishment of the Viet Nam Progression Party. For his courage and commitment to democracy, and for his support of Bloc 8406, Father Ly was jailed for eight years on 30 March 2007. He had been arrested on 19 February after a raid by security police in the Catholic Archdiocese of Hue. Father Ly was then isolated in custody at Ben Cui in central Vietnam. He undertook a hunger strike between 24 February and 5 March before he was sentenced.

At the trial, the now-famous photo was taken where a security guard attempted to silence Father Ly by holding a hand over his mouth. It has been reported that Father Ly had attempted to shout out, ‘Down with communism!’ Father Ly is a courageous and honourable man who has made great sacrifices for his beliefs. He has spent many years in jail. He has spent many years being harassed and brutalised by an oppressive regime. However, Father Ly is not the only person who languishes in Vietnamese jails. There is oppression of the ethnic minority group, the Montagnard, who protested over land ownership and religious freedom issues in 2001 and 2004. Hundreds of montagnards remain in jail.

With regard to pro-democracy advocates, we are rapidly approaching the first anniversary of the arrest and jailing without charge of eight Vietnamese democracy activists. They were arrested for protesting against government policies toward China. Between 10 and 23 September 2008, Vietnamese security forces detained a number of those people: Nguyen Xuan Nghia, a writer and leader of Bloc 8406 and a past recipient of the Human Rights Watch Hellman-Hamnett award, was arrested on 11 September; Pham Thanh Nghien Vu Hung, a schoolteacher, verbally accused of committing propaganda against the state, was arrested on 18 September; Ngo Quynh, a university student who was involved in the planned demonstrations against the Beijing Olympic Torch Relay; Tran Duc Thach, a well-known poet, was arrested on 10 September; Pham Van Troi, an engineer and member of the Vietnam Committee on Human Rights, was arrested on 10 September; Nguyen Van Tuc, a farmer, was arrested on 10 September; and Nguyen Van Tinh, previously jailed for organising against the regime, was arrested on 23 September.

It is my firm belief that democracy is the only legitimate form of government and best allows a nation and its people to progress and succeed economically. I look forward to the day when democracy prevails in Vietnam and when freedom of speech, freedom of religion and freedom of association will be enshrined in that society. Until that day, I call upon the government of Vietnam to release Father Ly and all pro-democracy prisoners. Justice and freedom will prevail.

**Deakin Electorate: Schools**

Mr SYMON (Deakin) (4.55 pm)—I rise today to speak about the wonderful opportunity extended to every primary and special school in my electorate of Deakin and right across Australia. The opportunity comes from the Building the Education Revolution program and is known as the Primary Schools for the 21st Century program. On Monday, 4 May this year I was very pleased to have the Deputy Prime Minister, the Hon. Julia Gillard; the state Premier of Victoria, the Hon. John Brumby; and the Victorian Minister for Education, the Hon. Bronwyn Pike, visit my electorate to make an announcement on education funding at Burwood Heights Primary School. Money for 382 projects at 361 primary schools across
Victoria, a total of $686 million, was announced by the Deputy Prime Minister for the construction of multipurpose halls and libraries and the replacement or refurbishment of classrooms—and that is only under round 1 of the program.

Four of these schools are in my electorate of Deakin, and Burwood Heights Primary School is one of them. Burwood Heights Primary School received $2.5 million for the construction of a new multipurpose hall, a hall large enough to hold all the students in the school. Currently, the school only has a small hall, which simply cannot fit all the students and teachers in at the same time, and when parents come along for assemblies and special events the space seems even smaller. I know that on their awards day they could only have half the school there—there simply was not enough room.

The Premier also announced funding—another $2.5 million—for Burwood Heights Primary School to undertake a major refurbishment concurrently with the building of the new multipurpose hall. That is a total of $5 million for a great school that was sorely in need of upgrading. The Premier also announced that another 112 schools would be funded in the Victorian state budget for $402 million through the Victorian Schools Plan. That is part of the total of $1.9 billion in investment over four years. This is certainly a great opportunity for partnership between the federal and state governments.

Of course I should mention the other three schools that received funding under round 1 of the Primary Schools for the 21st Century program in my electorate. Burwood East Primary School received $2 million for a new multipurpose centre. Currently they do not have a building to meet inside at all. Blackburn Primary School received $3 million for a new multipurpose hall. Their hall at the moment does not fit in everyone that is there. St Luke the Evangelist Primary School received $2 million for an upgrade to their school.

Investing in infrastructure and supporting local jobs at a time of global recession is vital for our economy. Many people have heard of the Rudd government’s $42 billion economic stimulus plan, and these school projects are just the beginning for Deakin. Seventy per cent of the stimulus package is being spent on infrastructure, supporting jobs for today and providing badly needed public and community facilities for tomorrow. That is infrastructure such as roads, rail, ports, schools and community and sporting facilities.

The Liberal Party voted against this package in the parliament. If it were up to them, not one school would be refurbished and not one new school hall or multipurpose centre would be built. As for support for jobs, where would that be?

There are another 29 schools in line for over $60 million of federal funding for similar projects in Deakin in round 2 and round 3 of the Schools for the 21st Century program. They are schools that are full of good people—students, parents and teachers—but schools that are old and run down and not fitted out for learning in the 21st century. Many were built in the 1960s and are well in need of the attention. And this is where the National School Pride program comes in. Every school in my electorate of Deakin has received between $75,000 and $200,000 for maintenance or minor refurbishments and these jobs have already started in schools, supporting jobs in our community.

Finally, I would especially like to thank Lisa Yeoman, the acting principal; Fatoula Reynolds, the school council president; and especially Michaela, Rhys, Benjamin and Nathan, who are wonderful representatives for their school at Burwood Heights. It was a
great day and I look forward to going back to see them again.

The SPEAKER—Order! It being 5 pm, the debate is interrupted.

House adjourned at 5.00 pm

NOTICES

The following notices were given:

Mr Kelvin Thomson to move:

That the House:

(1) deplores the Myanmar military regime for pressing new and spurious charges against Dr Aung San Suu Kyi and for her ongoing detention and persecution;

(2) condemns the Myanmar regime for continuing to deny the fundamental human rights of Dr Suu Kyi, notably those rights enshrined in Articles 9, 10 and 19 of the Universal Declaration of Human Rights, which prohibit arbitrary arrest and detention, guarantee the right to fair trial, and guarantee the right to freedom of opinion and expression;

(3) demands that the Myanmar regime drop the current set of charges against Dr Suu Kyi, and immediately and unconditionally release her from detention;

(4) applauds Dr Suu Kyi for her courage in peacefully protesting for the democratic rights of the people of Myanmar over many years and with great dignity and civility; and

(5) calls on the Myanmar regime to ensure that the elections it proposes to conduct in 2010 are truly free and fair.

Mr Dreyfus to move:

That the House, as recommended in the Human Rights and Equal Opportunity Commission’s Bringing Them Home report tabled in the Senate on 26 May 1997, recognises that 26 May is National Sorry Day, a day of remembrance each year to commemorate the history of forcible removal of Aboriginal and Torres Strait Islander children and its effects on individuals, families and communities.
Thursday, 4 June 2009

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.39 am.

CONSTITUENCY STATEMENTS

Award Modernisation Program: Horticulture

Mr ANTHONY SMITH (Casey) (9.39 am)—I rise today to speak on the government's award modernisation program and specifically the new horticulture award which is due to come in on 1 January. This award, if implemented, will have a catastrophic effect on jobs and businesses in the Yarra Valley. The Yarra Valley in the electorate of Casey represents a number of very important horticulture businesses, including raspberries, blackberries and strawberries. In fact, 50 per cent of raspberry and blackberry growers and 45 per cent of strawberry growers in Victoria are in the Yarra Valley.

The draft award that has been released will see businesses hurt and jobs lost. There is no question about it; it will massively jack up the costs for businesses on weekends through the double-time rates that will be required. The upshot of this will be that businesses will not be able to afford to employ workers. There will be less production and, to the extent of that decreased production, there will be higher prices for everyone at the supermarket. This is the sort of thinking that comes from the government. Their plan to help workers and the so-called guarantee from the minister that no worker will be worse off is laughable when you consider the fate of those workers who will be so worse off they will not have a job.

The Minister for Employment and Workplace Relations, the Deputy Prime Minister, has at last started to see some of the problems with award modernisation with respect to hospitality, restaurants and catering. I call on her to look at the horticulture industry. The fresh fruit businesses that are the backbone of the Yarra Valley are going to be severely affected unless there is a change, the people who work there will not be working there, and the price of the product will go through the roof and all consumers will pay. This is a lose-lose situation. It is clear that this process should be suspended. We have called for it to be suspended so that the detail can be got right.

In conclusion, I quote Mr Stephen Chapman. He said that berries and cherries have a picking window of two days, which could not be managed around Sunday penalty rates. He says, ‘Sunday is our biggest day, it’s the biggest day for market, which requires fresh fruit on Monday.’

Isaacs Electorate: Charitable Organisations

Mr DREYFUS (Isaacs) (9.42 am)—A couple of weeks ago I was at the Chelsea Church of Christ in Chelsea for the weekly breakfast organised by Chelsea Care Works at the Chelsea Men’s Shed. The breakfast is an opportunity for men and women who are going through tough times to come down and have a lovely, free home-cooked breakfast. It was a pleasure to see at the breakfast Gary Rogers, who runs the Chelsea Men’s Shed; Lorna Stevenson, who manages the Longbeach Place Neighbourhood House; and the Reverend Stephen Rose of the Chelsea Church of Christ to hear how the programs being run through the men’s shed and the neighbourhood house are helping disadvantaged members of our local community.
The weekly breakfast is a wonderful initiative run by volunteers who offer visitors a menu of tasty bacon and eggs, sausages, cereal, toast, coffee and juice to choose from. Numbers vary from week to week but the breakfast program has been getting more popular as word spreads locally and it is a great chance for people to have a good feed, have a chat and develop new friendships. I hope that it goes from strength to strength and has growing support in our local community, in the form of donations in cash and in kind and in people continuing to volunteer to help this weekly breakfast event.

The weekly breakfast is but one of a raft of programs run through the men’s shed and the neighbourhood house. I was shown the computer lab on the site where people, often with learning disabilities or from disadvantaged backgrounds, can come and hone their computer skills. They even offer publishing services for local community groups and businesses who want quality designing and printing at a cheap price. Gary Rogers showed me through the men’s shed out the back of the church, which is a fantastic place for men to come, socialise and develop their handiwork skills. It has developed terrifically since the last time I was there. The guys make some great things, including noughts and crosses games, the odd piece of furniture and my favourite—the production of table tennis bats made out of blackboard, which are sent over to children in Africa so that they can play bat and ball or use the bat as an educational tool.

It is great to see an organisation operating in our local community that promotes, particularly among men, greater social interaction and opportunities. I look forward to helping the Chelsea Men’s Shed and Long Beach Neighbourhood House continue their great work into the future. I very much commend the key players in these local agencies, those being Gary Rogers, Lorna Stevenson and Reverend Stephen Rose, who have long served our local community.

**Pearce Electorate: Digital Television**

Mrs MOYLAN (Pearce) (9.45 am)—There has been much fanfare about—and you will have seen the ads on TV informing the public about this—the fact that between 2010 and 2013 analog free-to-air TV signals are being switched off and replaced with digital only signals. However, when many constituents of the Pearce electorate switch on their TVs, even now but particularly in 2013, all that will greet them will be the sound of silence. While they have done the right thing by either purchasing a digital set-top box or upgrading their televisions, residents of the northern coastal towns of Lancelin and Nilgen will be without signals.

The Shire of Gingin has a retransmission station transmitting only an analog signal. Some $250,000 is required for them to upgrade to a high definition signal, a sum of money that very few local governments can afford. The shire installed a self-help television retransmission tower in 1990 in an attempt to boost the weak signals received from the local free-to-air television stations. This tower has helped, but the shire staff still get monthly complaints about poor TV reception. I have seen it for myself; it really is appalling. Residents have told me that they do not know from day to day if they will be able to view some channels, so poor is the reception. The constant question now asked of the Shire of Gingin is: when is it going to install a digital television tower? I visited this community recently, and the major issue in the region was the lack of television reception.

On 8 May 2009, the Minister for Broadband, Communications and the Digital Economy commented that the change to digital was a simple process. While that may be the case for the
majority of people living in metropolitan areas, it is certainly not the case in parts of rural and regional Australia such as the electorate of Pearce, where they are finding this switch near impossible. The digital switchover taskforce within the minister’s department is responsible for coordinating and overseeing Australia’s transition to digital from analog television. The black spot report will certainly identify those areas affected. I encourage the minister to consider the coastal community of Nilgen as a priority.

These people do not have a postal service; they do not get newspapers delivered—they have to get in a car. If you are old, it is almost impossible to have any form of communication. So I see this as a great priority. Imagine having no postal deliveries, no newspapers available and not being able to access television. There are quite a number of residents living up in this area and I would encourage the government to address the problem. (Time expired)

Parramatta Electorate: Employment

Ms OWENS (Parramatta) (9.48 am)—My priority in Parramatta at the moment is jobs; in fact my second priority is jobs and my third priority is jobs. My electorate, according to local council surveys recently, is shielded to some extent and unemployment is holding quite well, largely due to a large public health sector based around the Westmead Hospital, a very large retail sector that is growing slightly and a construction industry that is booming, largely on the back of the housing market and the first home owner’s boost. But, for people who lose their jobs—and Pacific Brands had one of their factories in my electorate—the overall figures do not matter. The figure that matters is the figure related to their pay packet and bank account.

That is why the government’s stimulus package is so important for my electorate. With 70 per cent of the stimulus package going to infrastructure, it is building jobs for today and building the infrastructure that we need for tomorrow. My work over the last few months has been to make sure that not one—

A division having been called in the House of Representatives—

Sitting suspended from 9.50 am to 9.58 am

Ms OWENS—I am working hard to make sure that the people in my community benefit from the government’s nation-building plan. I confess to being selfish: I would be happy if all the jobs went to Parramatta, Blacktown and the Hills region. I do not think that is going to happen, because I know that my colleagues are working very hard on jobs in their own areas. This is why Laurie Ferguson MP, Roger Price MP and I created the Keep the West Working campaign. This campaign will ensure that Parramatta, the Hills and the Blacktown region extract maximum advantage from the Rudd government’s stimulus package through the clear dissemination of information, the broad consultation with all stakeholders and the promotion of Western Sydney.

The campaign is up and running after a kick-start information session for local business and community groups at the Parramatta Town Hall last month. The information session was attended by more than 450 businesses and was an example of the essential strength of Western Sydney, which is our rich diversity. On the night of the forum I presented a practical how-to guide for accessing all parts of the stimulus package, including the school construction projects, the home insulation installation, social infrastructure and employment projects, small business tax concessions, free business advice and mentoring, solar hot water installation and community infrastructure.
The *Keep the West Working Guide* provides concise practical information for local businesses and community groups on where the money is and how it flows through our region. The *Keep the West Working Guide* provides the dates, deadlines, guidelines, phone numbers and people to contact on every aspect of the Rudd government’s $42 billion nation-building jobs plan. We on this side of the House see ourselves as service providers. It is not just about announcing the project; it is about making sure that our community is in the best position to access the assistance available through the stimulus package.

**Canning Electorate: Seniors Health Card**

Mr RANDALL (Canning) (10.00 am)—Today I want to reiterate the huge sigh of relief of thousands of Canning self-funded retirees are now taking over the Rudd government’s embarrassing backflip on stripping 22,000 senior Australians in Canning of the popular Commonwealth seniors health card. The government’s attack on the seniors health card would have seen non-wealthy self-funded retirees missing out on discounted pharmaceuticals, discounted travel, telephone allowances and eligibility for future bonuses. The plans would have seen them at least $2,000 a year worse off. I am delighted to say that this is now not going to happen.

After addressing the House in March on this issue, my office was inundated with calls from concerned locals. I have been stopped on the street by self-funded retirees quite rightly appalled and outraged by the government’s plans to raise eligibility requirements for the health card from 1 July this year. Under immense pressure from the coalition, the anger of thousands of senior Australians and the strong representations of seniors organisations, the government has shamefacedly retreated on its plan to include drawins from a taxed superannuation fund as income for the Commonwealth’s seniors health card income test.

Self-funded retirees continue to make overwhelming benefits to Canning—volunteering their time to local charities, joining sporting organisations and being community leaders amongst other things. They have worked hard—and continue to—and have earned the right to live without the threat of losing their government entitlements. They deserve better. I welcome the government’s change of heart on this issue, but it seems to be an uphill battle against Prime Minister Rudd for senior Australians. The coalition remains committed to making sure senior Australians do get a fair go.

Many senior Australians are doing it tough and they need support. Many non-wealthy self-funded retirees have been the worst hit by the global financial crisis, with their superannuation investments decreasing dramatically in value and lower interest rates affecting their retirement savings. Let us not forget that the government’s $32.49 for single pensioners and $10.14 for pensioner couples came only after immense pressure from the coalition and overwhelming public outcry. Instead of stalling on the outcome of the review, the government could have supported the coalition’s bill last September, introducing an immediate rise in the base rate of the pension by $30. The budget changes to the pensions this year caused great confusion to many seniors, and Mr Rudd’s attack on private health insurance will see health fund premiums go up and hospital waiting lists in the public arena soar.

**Moreton Electorate: Stretton State College**

Mr PERRETT (Moreton) (10.02 am)—Can I start by recognising the great efforts of the Queensland State of Origin side last night and wish them well for the next two games, particu-
larly my new constituent, Israel Folau. In acknowledging the Maroons’ hard work, I also want to acknowledge the hard work and successes of students, parents and teachers at schools in the Moreton electorate. As I get around to local schools on Brisbane’s south side without fail I come across passionate teachers, principals, support staff and active students who are full of potential—schools like Stretton State College, where I attended their student leaders’ induction ceremony recently.

I want to congratulate the student leaders from the Gowan campus, Praveen Balayasoderan and also Kyle Lotz. And also from the Illaweena campus: the Community Service Leader, Deni-Rae Keough; the Sports Committee Leader, Blaike Hall; the Arts and Entertainment Committee Leader, Meke Lavaku; and the Environment Committee Leader, Lauren Hess. Congratulations also to the house captains and class representatives who have been elected this year. I wish you all the best.

Stretton State College is a very young school. It was only opened in 2006 and already has grown to more than 1,000 students from prep to year 11, with year 12 to come on board next year. In this short time they have also developed a strong and vibrant school community, with passionate advocates like the P&C president, Katie Rowley, and the college director, Tracyle Cashman, and the rest of her wonderful leadership team.

I have spoken to some in this school community who are concerned for the safety of their students on Gowan Road, which separates the primary campus from the secondary campus. Gowan Road is a busy local thoroughfare that links Stretton with Sunnybank Hills. The pedestrian crossing is currently controlled by traffic lights but, knowing what young kids can be like—sometimes a little bit too much like sheep—the parents and teachers believe that more should be done to separate the student pedestrian traffic from the vehicle traffic. Occasionally we do get traffic that speeds along this road. Even though the lights control the crossing, sometimes the first kid steps out safely but the last student in a line can sometimes step out into a dangerous situation. That is why I have written to the member for Stretton, Stephen Robertson, to call on the Queensland government to investigate an overpass for this road. Already, there have been too many near misses, I have been informed, and I would hate for a fatality to occur.

Another school making its mark on Brisbane’s south side is the Robertson State School, a wonderful school that I also visited recently. Last month the school choir did a fantastic performance on our local ABC breakfast program, Spencer Howson’s show, with their rendition of a song called Raindance. With Brisbane’s dams now at more than 70 per cent, obviously they are doing something right. This is a very musical school and I look forward to their performance at speech night. Also, yesterday I was visited by students from Warrigal Road State School, one of the best schools in Australia. They were very passionate about looking at democracy, and the parents and teachers did not even look tired. (Time expired)

**Fadden Electorate: School Leaders**

Mr ROBERT (Fadden) (10.06 am)—On this great morning after Queensland’s crushing defeat of New South Wales in the State of Origin match, I rise to acknowledge the new student leaders within the schools of Fadden. Australia’s young leaders play an important role in setting a good example by acting responsibly and making positive choices. What is encouraging is that these leaders have been selected by their schools and in many instances by their peers for their potential to make a positive and lasting contribution to their school communi-
ties. We all know that Australia needs great leaders, and much more will be demanded of these leaders in their schools today and in their communities tomorrow.

From Helensvale State School: class captains, Mitchell Stephens and Denver Cannon; Strings vice-captain, Stephanie Redman. From Coomera Springs State School: student counsellors, 4/5M, Loreal Arthur and Helaman Wehipeihana; 4H, Kaylee Milton, Brianna Mohan-Druce and Tamara Balikoff; 3/4S, Amity Clements, Lachlan Openshaw and Hope Rubach; 5R, Summer Little and Ariane Baet; 6/7D, Madison Clements, Hollie Cregan and Matthew Smith; 6/7W, Courtney Hollis and Jean-Marie Vos; house sports captain for Ballun House (Blue), Shawn Cavanagh, and vice-captain, Brandon Cregan; house sports captain for Thargum House (Yellow), Matt Miotto, and vice-captain, Danny Nhong; house sports captain for Tugai House (Red), Ben Toa, and vice-captain, Jye Watts; house sports captain for Kaban House (Green), Chelsea Jarvis, and vice-captain, Jack Gilmore; and student leaders, Josh Lowton, Harley Patterson, Jordan Hine and Tabitha Sen. From St Francis Xavier School: student leaders, Andre LeCordier, Maryann Fairley, Joshua Andres, Chantelle Berlouis, Rhianon Sines and Amber Knight; house leaders Blue House, Tayla Alleyn and Bailey Marshall; Green House, Kurt Lowe and Rhianon Sines; Gold House, Ben Brittain and Jake Simmonds; Red House, Lauren Giltrap Ryall and Milly Martino.

I would also like to put on the record what a great pleasure it was yesterday to entertain the Steiner school from Nerang on the Gold Coast as they came for their parliamentary visit. The students had a tremendous time. I had an excellent opportunity to talk about how the House works whilst they sat in the student gallery watching question time as democracy played out on the floor. I commend the teachers of Steiner school and the students for the great work they are doing. I hope they enjoyed their time fully in Canberra, not just in Parliament House.

Blair Electorate: Roads

Mr NEUMANN (Blair) (10.08 am)—Like other speakers, I too want to congratulate the Queensland team for their wonderful performance last night. I want to say in relation to South-East Queensland that it is the centre of the universe. One in seven people in Australia live in South-East Queensland. It is fantastic. But I want to talk in particular about road funding and infrastructure in the Fassifern Valley. I have as part of the electorate of Blair the old Boonah shire, which is about a third of the area of the Scenic Rim Regional Council. The Rudd government has made a strong commitment to the people of the Fassifern Valley in terms of road infrastructure. They will benefit, of course, from the $884 million that we are putting into the Ipswich Motorway upgrade. Many people in the areas of Kalbar and Boonah work in Brisbane and along the route between Ipswich and Brisbane, so they will benefit enormously. Also, the produce from the Fassifern Valley goes on roads, from the Cunningham Highway and the Ipswich-Boonah Road through to the Ipswich Motorway, into Brisbane for sale. So the farmers will benefit enormously.

One issue I want to raise is the state of the Cunningham Highway. I am pleased that the Rudd government has committed $791,000 to the Scenic Rim council in the Roads to Recovery program which will provide the council with funding to assist them to maintain and upgrade local roads. I urge them to upgrade Church Street in Boonah. It is an important road. There are many churches, schools and businesses along that road and I would urge the council to do the right thing by the businesses, community groups, churches and schools along that road, particularly the Baptist church there and All Saints as well. That is a wonderful Catholic
school. I have been there and it will benefit enormously from the Rudd government’s commitment and from the Building the Education Revolution funding.

I particularly want to thank the Rudd government for the $3.6 million which has been committed for the resurfacing of the Cunningham Highway at Aratula. I have door-knocked Aratula and spoken to businesses in the area. There is a wonderful little bakery, a hairdresser and a fruit shop. Aratula is a wonderful little community. For many years, the people of Aratula have been neglected by the coalition government. The state of the road between Fassifern and Aratula was a disgrace under the coalition government. They could not get the funding. We now know that the 22 kilometres of the Cunningham Highway between Fassifern and Aratula will be updated. We will see a smoother ride for motorists, the road surface repaired and a new service applied. Preventative maintenance will help the people in the local area and I want to thank the government for the commitment. I also want to thank the Queensland government, the Minister for Infrastructure, Transport, Regional Development and Local Government and the Queensland Minister for Main Roads. *(Time expired)*

**Macarthur Electorate: Roads**

Mr FARMER (Macarthur) *(10.11 am)*—In the time I have allocated to me here this morning, I thought I might speak about my local area and some of the issues that need to be addressed in Macarthur. Just recently, I was on a bike ride from Melbourne to Sydney and, during the course of that bike ride, we rode on many roads along the way. I could tell you where every single pothole was and where the problems were with the roads. However, during that 1,000 kilometre ride between Melbourne and Sydney I can honestly say that the other cyclists and I never came across a worse area than Camden Valley Way. Camden Valley Way is a section of road that has relied mainly on funding from the federal government for the M7 upgrade and then a short section of the road was upgraded as a result of further federal government funds.

The state government, who own that particular stretch of road, have done absolutely nothing with it. They rely on the developers to pay for sections of the road to be upgraded as they sell off each part of a development. I understand that is a very efficient way in the state government’s eyes of getting a road done in that they do not have to pay for it. But the bottom line is that a road does not get upgraded until all the houses are sold in that area, until the estate project has been finished and completed. As a result of that these roads are neglected for many years. They become death traps. Indeed, at one particular intersection there have been 350 accidents over a five-year period, with some, in relation to motorcyclists trying to come out of a T-intersection on the corner of Raby Road and Camden Valley Way, being fatal.

I would like to draw the attention of this House to the appalling state of the roads in New South Wales, the responsibility of the New South Wales government to pull their weight, to work out why on earth they tax people in the first place at exorbitant rates, and to realise their responsibilities for things they must commit to. I understand that we have a number of levels of government; we have federal government, local council and state government. Each one of those levels needs to pull its own weight.

I hear the members opposite gloating about the funding that comes from the federal government for roads in their local areas—and I am pleased to see that happen—but we should not take the responsibility away from the states, particular in New South Wales, where I have seen firsthand the appalling job that they have done with schools, hospitals, roads, local roads
and local infrastructure. They are not committing any money to any of those projects. Basically, they have sent the state broke. As a result of their appalling efforts in managing funds at that level, they are draining more and more out of the federal government purse on a regular basis and costing the taxpayers of Australia a fortune. *(Time expired)*

**Chisholm Electorate: Schools**

Ms BURKE (Chisholm) (10.14 am)—I rise today to put on the record the appreciation of many local schools in my electorate of the BER funding that the government has allocated to them. I would particularly like to read a letter from Bob Davis, the principal at St Leonard’s Catholic Primary School in Glen Waverley. Bob states:

> The decisions you have had to make in these critical economic times in regards to stimulating the economy have no doubt been hard on you all. I am just grateful that your party which was elected on many platforms, one of which being education, did not forget schools when deciding where this building money could have been spent. Furthermore I congratulate you for not differentiating between State, Independent and Catholic Schools. At the end of the day they are all inhabited by young Australians who are worthy of your support.

This is one of many letters and comments I have received from numerous principals of primary schools across my electorate who are exceptionally grateful for this money. They are grateful that primary schools have finally been put on the funding map. They have been overlooked for a long time, but we on this side of the House know that those formative years in your education are often the most important. Preschool and primary school are vital important, and we have put the money into those areas that have been neglected. Many of the schools in my electorate are now ageing by virtue of the time that the suburbs were built. They now need major repair. Often finding those dollars, particularly, as I will read further, within the Catholic system, has been quite difficult. I am exceptionally proud that we have not differentiated and that all the schools across my electorate—the independent, the Catholic and the state schools—will get the money. It is a very big project and there have been some hiccups along the way, but we will work through those. I am grateful to the state department for recognising that this is a project that we can work on together and be proud of.

Bob goes on to say:

> It is easy to talk about creating learning environments that embrace technological change and teaching pedagogy. It is another altogether to be able to find the financial capital to make this happen in a real sense. This injection of $2,000,000 will allow me to oversee a major rebuild of the school. We have made the decision to borrow an additional $1,400,000 which will allow us to complete what has always only been a pie in the sky Master Plan. Admittedly, we have considerable debt for the next 15 years however the opportunity to realize a $3,000,000 + rebuild will in a way be a rebirth of this school. On behalf of the children of this school, who do not get an electoral voice, I would like to say thank you.

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Politicians of all persuasions are always easy targets for public criticism by the general public. I am well aware that you are often damned if you do and damned if you don’t, generally by people who have little understanding of what you do or any empathy for the delicate nature of your decision making. You probably get little public thanks for what you do but are constantly reminded of your short failings. Be that as it may, you are at the heart of our democratic process and our lives are enriched by your individual and collective dedication to the Australian community. I for one, recognize that fundamentally all politicians are just regular people with a social conscience who are prepared to put themselves forward to help their communities.
I am exceptionally grateful for Bob writing to me and expressing his thanks on behalf of the community. *(Time expired)*

Mrs Vale—Order! In accordance with standing order 193 the time for constituency statements has concluded.

**APPROPRIATION BILL (No. 1) 2009-2010**

Cognate bills:

**APPROPRIATION BILL (No. 2) 2009-2010**

**APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2009-2010**

Second Reading

Debate resumed from 3 June, on motion by Mr Swan:

That this bill be now read a second time.

Ms OWENS (Parramatta) (10.18 am)—I am delighted to stand to speak on Appropriation Bill (No. 1) 2009-2010 and cognate bills that support the budget 2009-10. When you judge a budget it is not just about what is in it or what is not in it but how effective it is for the circumstances that the nation faces at the time, and we do live in interesting times. The world has gone from the biggest global boom that we can recall to the worst global recession in 75 years over about a 12-month period, and governments all over the world have changed tack in response. That is all you can do in government: you look at the circumstances that the nation faces and you respond decisively to maximise the opportunity and minimise the downside for the nation. In the circumstances that the world faces and you respond decisively to maximise the opportunity and minimise the downside for the nation. In the circumstances that the world faces, governments everywhere have gone from paying down debt to spending to stimulate their economies. That is absolutely the right thing to do.

This is a good budget, not just because of what is in it but because it is a budget for its time. If we delayed action on the global recession for even one year and delivered this kind of budget next year, the damage to our economy would already have been done. We would have seen significantly more job losses, family financial stress and the loss of previously viable businesses. Now is the time for this budget, particularly building, as it does, on the first two stimulus packages and the bank guarantee. It is a timely and responsible response to the worst global financial crisis in 75 years. Faced with that crisis, we are building for the future. We are stimulating the economy to help cushion Australia from the full impact of the global recession while investing in national infrastructure that we need for tomorrow.

The opposition would have us all believe that we the Labor government actually caused this recession. But we are just not that powerful. We did not all sneak off to the US, infiltrate financial companies and give out subprime loans. We did not do that. We did not cause it. It began in the US financial markets. It spread throughout the world and it moved into the real economies around the globe. The impact has been devastating. In fact, it is the deepest global recession since the Great Depression. The world economy is set to contract by 1½ per cent in 2009 and our major trading partners to contract by two per cent, which is a worse outcome than during the Asian financial crisis. Eight of our top 10 trading partners are expected to contract in 2009 and advanced economies in deep recession are expected to contract by between three and 3¾ per cent this year.
Because so much of the boom in Australia was the result of growth elsewhere over the last 15 years—and iron ore, coal and bauxite being sucked out of the resource rich states into China and India—we were particularly susceptible to global downturn as other economies that had been buying our commodities to fuel their own growth came to a grinding halt. They stopped buying the coal and the iron ore and so profit projections for companies fell. As a result of that, revenue forecasts for the government—in particular how much tax we would collect—collapsed as well. In fact, they collapsed by a lot.

The deficit is a direct consequence of the global recession, with projected revenue downgrades wiping out around $210 billion from revenues over the forward estimates—$23 billion in 2008-09, $49 billion in 2009-10, $55 billion in 2010-11 and $47 billion in 2011-12. These are substantial write-downs of revenue for Australia. But at the same time, of course, the government is committed to paying out on pensions, on the Department of Defence, on schools and on three- and five-year funding agreements. In other words, while our revenue collapses quite easily, the expenditure side of the budget is much more difficult to alter. When the tax base collapses, those costs remain and you get a shortfall; you get a deficit.

The alternatives here are to raise taxes and cut spending—in this case a lot of spending: $49 billion in the next financial year and $55 billion in the year after that. Of course you do not do that. No government has done that. If you did that, you would put further downward pressure on the economy, slowing it down even further and introducing much more pain at the individual level—higher unemployment and forced sales. Instead, you do something which some people find counterintuitive but, again, is the common response, and the recommended response, around the world. You step in to cushion families and businesses from the impact. You stimulate activity in the economy to support jobs. If you have to do that, and we do, then the way that you go about it, if you are a responsible government, is to invest in infrastructure that leaves behind valuable assets to support us in the future. You stimulate the economy by building schools, roads, rail, ports, local community infrastructure, hospitals, research centres or things that will make a difference in our battle against climate change. Seventy per cent of the government’s stimulus measures are going on just those things—on infrastructure. Those projects support jobs and small business today and invest in the infrastructure that we need for tomorrow.

The Rudd government’s response to the worst global recession in 75 years is the right one and it is fast enough and executed well enough to make a difference. The national accounts that came out yesterday support that view. The national accounts show that the Australian economy outperformed every other advanced economy in the March quarter, recording positive growth in the face of savage global recession. GDP rose by 0.4 per cent in the March quarter to be 0.4 per cent higher through the year, boosted by early and substantial policy action by the Rudd government and the Reserve Bank. Of the other 22 OECD economies that have reported March quarter outcomes, 20 have contracted. G7 economies contracted by an average of 2.2 per cent in the March quarter. Crucially, the Treasury estimates that Australia’s economy would have contracted in the March quarter by around 0.2 per cent without the government’s stimulus strategy.

What are we building in this nation-building exercise? What are we doing that is helping Australian businesses to keep their heads above water? The nation building in this budget builds on the first two stimulus phases. The first phase, in December last year, was in the form
of much-overdue and much-needed cash payments to pensioners and a boost to the first home buyers grant. Both were immediate boosts, and the first one in particular helped to hold up retail spending over the Christmas period and held our national account in good stead in the final quarter of last year. Phase 2, which was announced earlier this year, was the shovel-ready infrastructure—schools, insulation, hot water tanks and social housing. These are projects of incredible value to our local communities and could be rolled out quickly so that money and jobs would flow through the communities over the 18-month period we are currently in.

The opposition takes the nice political line that it is all cash. And there was actually cash; it helped to keep retail sales moving through December, which showed in the national account figures for the last quarter. But 70 per cent of it is nation-building infrastructure—those 35,000 construction jobs around the country which we hear talked about in parliament, extra Black Spot funding, rail crossings and council projects. This was all important work that we knew could be rolled out very quickly to support local jobs. Speed is very important in circumstances like these. Wealth may trickle down, but there is no doubt whatsoever that in hard times poverty creeps up. As a business goes under, it takes the families of its staff with it. They spend less in the local community and other businesses are, therefore, damaged. There are forced sales and that drives down prices. The last thing we want is for the recession to take hold, so we acted fast. The first phase was cash, and the second was smaller-scale infrastructure projects that put jobs on the ground immediately. Those projects in schools and public housing estates and suburban soccer fields will roll out over the next 18 months.

Phase 3, which is delivered in this budget, is for larger-scale infrastructure, which takes time to plan and roll out. Fortunately the government started reviewing infrastructure needs as soon as we were elected. Infrastructure Australia was well established and the review, much maligned by the opposition, had been undertaken. They had already identified key issues in infrastructure. We had also been working with the states on health planning, the pension review had been completed and the Productivity Commission had reported on parental leave. We had basically been getting on and doing the work, and that work put us in a very good position to respond very quickly to best stimulate the economy while building for the future.

People in my electorate have asked me why we did not do health and roads in the first and second stimulus packages. The answer is quite simple: you cannot get projects of that size up quickly. So I am incredibly grateful that the government began the planning for these major projects early in our term so that we were ready to roll out these large projects much earlier than we otherwise might have been. We are building what the country needs and we are supporting jobs on the way.

Talking about infrastructure for a moment, we would all remember that we had a backlog in infrastructure towards the end of the term of the last government. We would all remember the Reserve Bank warnings about infrastructure bottlenecks, particularly in physical infrastructure and skills, and the impact that was having on rising inflation and rising interest rates. We all remember the 12 back-to-back interest rate rises. I think we are starting to forget exactly how much pain families were in in late 2007 because of rising prices and rising interest rates. I know that many in my electorate had their noses just above the water and repossession rates had doubled in some suburbs in the first half of 2007, and did so again in the six months leading up to the election.
So I am very pleased to see these major infrastructure projects supported in the budget. There is $4.6 billion for metropolitan rail networks, and I have to say that it is very good to see the federal government back into suburban and city based infrastructure after a decade of absence. We will be building more efficient metro rail networks to deliver economic and social benefits through faster travel times, less road congestion and lower greenhouse gas emissions. There are projects in Melbourne and the Gold Coast, there is the Gawler rail line and there is the Northridge rail line in Perth. There is also $91 million for the West Metro preconstruction work for a line that will run from Central to Westmead, in my electorate. That project is much needed and we welcome that $91 million.

There is $3.4 billion for the Network 1 road freight corridor. I have enough freight companies in and around Parramatta to know that this has been extremely well received. Network 1 is Australia’s largest freight route. It links Melbourne and Cairns. Upgrading the route will allow faster transit times, lower transportation costs and greater safety and ensure that Australian businesses remain globally competitive. There is also $380 million for port infrastructure in the crucial area of Western Australia. That will drive the recovery as our major trading partners recover.

Members will probably remember the deficit we had in skills. In fact, we were one of the few OECD countries whose expenditure on education actually went backwards over the last 10 years. That is an extraordinary fact given that education is one of the greatest drivers of growth in the long term. We were well and truly running up against our limits with the skill shortages towards the end of the previous government’s term. There was no support from the government for the skills and infrastructure that we needed to support the growth that was driven by the global boom and that was costing us all through rising prices and interest rates.

Now that the world economy has come to a halt some of the pressure has temporarily been taken off the skills and infrastructure crisis. That is not actually a good thing; it is actually a rather sad thing because it is reflected in the unemployment figures. Those structural problems will return. As the economy begins to grow again we will very quickly come up against the same infrastructure constraints that we had in the boom time unless we act very quickly. I am very pleased to see that we are delivering in this budget by investing in education and the skills of our people.

There is $2.6 billion over six years for infrastructure projects, including $613 million to fund 11 higher education and 12 vocational education and training projects as part of the second round of the Education Investment Fund. That fund was created in the last budget. Again we have brought forward some of the spending because of the circumstances. We are fortunate that the work was done last year and we can roll it out very quickly now. There will be $1.2 billion from that same fund for 30 priority research infrastructure projects, including $901 million for the Super Science initiative to build Australia’s capacity in areas such as astronomy, marine and climate science, and future industries. Having come from a creative industry, I am delighted to see the investment in innovation and R&D. We are an incredibly talented country when it comes to ideas. It is a part of our character which has been neglected for quite some time.

There is also $1.5 billion in recurrent funding for universities. This is incredibly important because it provides $491 million over four years to uncap the number of public university places from 2012. So if you are eligible for a place you will get a place. In my area of Western
Sydney university enrolment rates are really quite low when compared to those for the rest of Sydney. We enrol at the rate of three per cent and the rest of Sydney enrolls at the rate of 5.2 per cent. That is an underperformance which I am determined to turn around. This funding will go a long way towards achieving that. The budget also provides $394 million of new funding over four years to encourage greater participation of low-income students in higher education.

Unfortunately, I do not have time to go through all of the measures. If I did, I would be here for several hours. I strongly suggest that anyone interested in education have a look at what is in this budget in detail and the responses of the university sector to the work of the government. There is also greater support for lower income students funded by the savings from the tightening of the definition of ‘independent’ for the purposes of the Youth Allowance. That will see a far greater number of young people in my electorate receiving assistance from the government for their studies.

While Australia is doing well relative to the rest of the world and our national accounts are on the right side and we still have a AAA credit rating and we are still not in technical recession—in other words, relative to the rest of the world, things are looking for the moment quite optimistic—we still expect that unemployment will rise, because growth projections are not high enough to accommodate the number of people entering the workforce. We have measures in the budget that cushion that effect through the building of infrastructure, but we are also improving the safety net for those who do lose their jobs during this global recession. We have $1.5 billion over five years in the jobs and training compact to support young Australians, retrenched workers and local communities to get back to work, add to skills or learn the new skills required to obtain jobs. We have a $277 million compact with young Australians, guaranteeing an education or training place for every person under 25 who wishes to upskill.

We have also made quite significant changes to the support offered to retrenched workers. These have assisted the people from Pacific Brands in my electorate quite considerably. We have $299 million in the budget to give retrenched workers immediate access to intensive employment services. That is something that they previously had to wait several weeks for. We have doubled the safety net for the liquid assets test thresholds, meaning that rather than having to spend your savings down to $5,000 you are now eligible for Centrelink assistance at the $10,000 mark. That is a temporary measure to see us through, but it is a substantial contribution to people in these more difficult times.

I also want to talk very briefly about assistance to small business, because the best thing that you can do in a local community is to keep people employed in the first place. There are substantial benefits to small business in the budget. I am working very hard to make sure that my local businesses know about them. One of the important ones is the 50 per cent tax rebate for small businesses. It is up from the 30 per cent that we announced for the end of this financial year. It is now 50 per cent for eligible assets acquired between 13 December last year and 31 December 2009. There are many businesses in my electorate that install refrigeration equipment or counters that are telling me that the last few months have really been quite good for them because of that cash rebate.

We have also increased the pension. Wasn’t that needed, after 11 years of neglect? There is an increase of $32.49 per week for single full rate pensioners and an increase of $10.14 per week for couples from 20 September 2009. There are also some other changes that will see
more security and certainty for pensioners, such as combining a number of payments into one and paying them weekly.

My time is running out, but I want to reinforce how proud I am of this budget. It is budget of its time. It leaves us still with the lowest debt levels of the OECD. We have been in the bottom eight for the last 25 years, by the way; we have not had high debt levels relative to the rest of the OECD in the last 30 years. This budget leaves us in a very good position to withstand these troubled financial times.

Mr ANDREWS (Menzies) (10.38 am)—In the words of the World War II song, Labor’s budget leaves Australia on a wing and a prayer. Not since the Whitlam days have we witnessed such a reckless spending spree, which is built on the heroic assumption that all will come good, beginning next year. Let us consider some of the facts of the Appropriation Bill (No. 1) 2009-2010 and the related bills. Labor is proposing a deficit of $58 billion in the first year alone, the largest in modern Australian history. There are deficits amounting to $220 billion over the next five years. The Commonwealth debt will rise to $188 billion by 2012 and up to $315 billion in total. That is $9,000 worth of debt for every man, woman and child in Australia. And that does not take into account the additional state debt of many states in this country—$75 billion worth in Queensland, for example. Billions of dollars will be required each year to pay the interest alone on this debt. Labor does not envisage a return to surplus until 2015-16. This is based on the fanciful assumption that growth will rebound to 4.5 per cent in two years time and on the heroic assumption that Australia will have six successive years of four per cent plus growth, something that has not occurred in the last 30 years, despite boom times in Australia. And even then, even after all of this, the country will still be paying off debt for who knows how long—certainly the government does not know.

Labor is simply winging it with this budget. At least a million people will lose their jobs. Labor wants us to believe that this is all due to the global recession. But two-thirds of the $188 billion debt is due to Labor’s own spending since the last election. More money has been thrown away in handouts and projects, with little economic return, than on essential infrastructure. And, even then, half the nation-building infrastructure is money that had been set aside by the Howard government in the higher education and communications funds. The coalition opposes Mr Rudd’s spendthrift and undisciplined response to the financial crisis.

When thrift and careful economic management is required, Mr Rudd says, ‘Spend.’ When effort should be rewarded, Mr Rudd says, ‘The government will provide.’ And, when business needs capital to stabilise and rebuild, Mr Rudd borrows it all. That is why we reject Labor’s spendthrift ways. When the government steps in with the promise of providing for all our needs, it scorns the individual effort required for recovery. When the enterprise of individuals and business is corroded, it chokes off and delays prosperity. And, when economic liberty is rejected by an all-knowing government, it ultimately endangers the employment and prosperity of Australians.

This is why we reject Mr Rudd’s big-government mantra—not because government has no place to play in the economy but because we all know that debt is easy to create and very difficult to extinguish. This is something, indeed, which the Chairman of the Federal Reserve warned the Obama administration about, just overnight, in the United States.

We all know the harsh reality that it took a decade to pay off Paul Keating’s debt, and yet Kevin Rudd’s debt is growing bigger by the day. But when the Prime Minister is asked, ‘What
is the size of the debt?’ or ‘Where is the money coming from?’ he refuses to answer. When the
Australian people ask these questions, Mr Rudd gives them slogans. When the media asks for
substance, Mr Rudd replies with spin. When we seek an assurance that this growing mountain
of debt will not burden our children and stifle our recovery, Mr Rudd is silent. And, when we
insist that we should not be heavily indebted to overseas nations, Mr Rudd does not answer.

So the coalition will continue to ask these questions: ‘Where is the money coming from?’
and ‘How, when and in what time frame will it be repaid?’ We will point out those proposals
which penalise effort and initiative, such as the decimation of employee share ownership. We
do not want more gobbledegook and vague assurances—the Prime Minister must come clean
with the Australian people. Australians know that somebody has to repay this debt. They are
increasingly concerned that there is no plan and that they and their children will be left worse
off.

Yesterday’s national accounts did very little to change this situation. Indeed, it was not all
this spending by the government—if you look at the detail of the national accounts—that kept
us out of a technical recession. It was the unexpected surge in exports in the previous quar-
ter—which the national accounts mark—that actually kept us out of a technical recession. Yet
every economic commentator, regardless of their stance, their political views or their philoso-
phy, basically says, ‘We are, for all but technical reasons, in a recession in Australia.’

So this great spendthrift approach, with billions of dollars of money being spent, had very
little impact at all on the national accounts. As I said, if it was not for that unexpected surge in
exports in the first quarter of this year then we would not only be in what people regard gen-
erally as a recession; we would, indeed, be in a technical recession today. If you break it down
by state then you can see a diminution in growth in many of the states of Australia over the
first three months of this year and, indeed, on all accounts, recessions in states such as New
South Wales and Queensland.

The recovery requires the confidence of business to invest and grow. It requires the confi-
dence to keep workers on, knowing that the economy will improve. It requires a government
that will do things to help business, not to throw away money in the hope that some of it
might land in the right place. It requires a government to trust in the enterprise of Australians,
not to borrow all of the funds much needed by business to survive and employ workers. It
requires reward for the thrift, the effort and the initiative that has made this nation prosperous
in the past. The sad reality is that Labor has raided our savings, borrowed billions and has no
plans for recovery other than to suggest that the good times are just around the corner. Some-
ting more than a wing and a prayer is required to ensure future prosperity. Sadly, Labor’s
budget reveals no understanding of what is required today and in the future.

Mr RAGUSE (Forde) (10.45 am)—I rise to speak on Appropriation Bill (No. 1) 2009-
2010, Appropriation Bill (No. 2) 2009-2010 and the related bill. The Rudd government ac-
knowledges that these are complex times, and the 2009-10 budget reflects these complex
times. As we all know, the world’s major economies have gone into recession. Other nations
have been overwhelmed and unprepared for the scope and sheer ferocity of the biggest global
downturn since the Great Depression. Australia’s economy is well placed above those of other
nations. This budget will see Australia emerging more productive than before. This budget’s
task is one of nation building—nation building for recovery.
The opposition would like to talk down the economy and this budget, yet they talk about the lack of infrastructure in their own electorates. For 12 years they could have put in place the infrastructure that was needed, but they did not. In fact, they still refuse to recognize the Rudd government’s strategy in these times of need. The economic circumstances that we find confronting ourselves are so severe that we need a strategy that is going to take us forward and help us recover in the future.

In the electorate of Forde there was previously a severe gap in infrastructure rollout, and I do not think anyone in this House needs to be reminded of the disastrous Beaudesert rail project under the former flawed Regional Partnerships program, a program that put money into the community but that was unsuccessful, with major losses to government and to many private providers. However, in the real infrastructure rollout, particularly in the seat of Forde, the Rudd government has committed to a $55 million upgrade for the rail line from Acacia Ridge through to Bromelton which has recently been announced. Added to that is another $45 million for a project across the state border in New South Wales, through the area known as the Kyogle loop. This is a $100 million investment in rail infrastructure.

The Rudd government talks about Nation Building for Recovery, about road, rail and even our shipping networks and about how we build our productivity for the future. In fact, 70 per cent of this budget is about infrastructure investment. A large amount of funds, as we know, are going into the stimulus package of cash payments to people, essentially to stimulate the economy while we prepare ourselves for the rollout of infrastructure.

A large part of the infrastructure will go to schools. In fact, all the schools in my electorate welcomed this funding for nation building. I have met with many principals since the Building the Education Revolution program was announced and they are happy that the funding is finally coming to their schools and to the region. The electorate of Forde, as I have said many times in this House, was certainly not on the map in the past. The former federal member for Forde, a great member, was also frustrated about her own government and its inability to provide essential funding for some of the basic infrastructure needs. If you look at the building and infrastructure projects in my electorate, they are much larger than in the other electorates around it, simply because Forde missed out on basic funding for such a long time.

In the first round of funding for Primary Schools for the 21st Century, there are 20 schools in my electorate that are recipients. There is almost $30 million being injected into schools in the Forde electorate. The previous government did not invest well in education or in facilities, and it is the Rudd government that believes that if we as a nation are to prosper we need to invest in our future, and education is a significant part of that future.

This will see building sites at every school in my electorate. I have had many people contact my office asking how to get work on these projects and as a strategy recently—in fact the week after the budget—I, the member for Bonner and the Minister for Small Business, Independent Contractors and the Service Economy, who is the member for Rankin, held a forum for independent contractors, a tradies forum. This was very much to inform tradies of the tender process and how they could engage with government to get the benefits of our stimulus package through the building program.

However, the opposition would like to blame state governments for all the problems of the past. In fact, I was intrigued when I heard the member for Menzies mention Queensland and excessive borrowings. On other occasions in this House I have spoken about the Queensland
government’s understanding some time ago that infrastructure was very important, to the point that the Queensland government took on a lot of debt in recent years to fund infrastructure, which goes well now with the federal money as the state government have their projects lined up and they will certainly involve direct funding as to infrastructure programs. That gets away from what we always knew in Queensland as the Howard government’s cost shifting. This has meant that as a community and as a state—and certainly for the electorate of Forde—the nation-building program can continue. When you start to coordinate and put together all of the projects and when you look at the business community being involved and how we roll out private sector investment, it all fits very well for my electorate. As I have said in this House before, the development of areas of Bromelton will see the largest inland port in this country when it is finally established.

Social infrastructure and social inclusion is also a major plank of this budget. The government recognises that carers play an important part in our society. I was pleased to see that carers as well as pensioners would see significant changes through this year’s budget. In fact, I spoke in this chamber only a couple of weeks ago about the report on carers by the House of Representatives Standing Committee on Family, Community, Housing and Youth called Who cares...? After 12 months and 1,200 submissions we finally identified some major issues, issues that we were largely aware of but which we were able to get documentation on from the evidence that we took at that inquiry. We understand that carers do it very hard. We understand the carer’s job being a tough job. If you are caring for a family member it is even tougher. Many people who care for their children do it voluntarily. There are also a substantial number of people who care for many other family members or friends of family. Carers wear many hats. Some are mothers, some have full-time or part-time work and some are young people who are still at high school. In fact, one of the people we interviewed at our inquiry was 15 years of age and looking after a parent. It was a quite amazing story, particularly when you understand about the people in our community who have that caring role.

The Rudd government, through this budget, has recognised the need to help and look after carers. The Treasurer announced a supplement of $600 for carer payment recipients. Recipients of carer allowance will also receive $600 per person they are caring for. Carers Australia’s CEO said that the $600 per year supplement for those receiving the carer payment and the $600 per year in carer allowance per eligible recipient were very welcome because their status was assured in future budgets. I have mentioned the issue of pensioners. There is the fact that we have finally been able to index pensioner payments at 27 per cent of average male weekly earnings, a great initiative. After 100 years of benefits to age pension recipients we have finally been able to index something that will keep up with the current costs of living.

In my electorate of Forde we have identified over 3,500 carers. Those who receive the carer payment will also receive a pension increase of $32.49 a week for singles on a full pension rate. As well, a permanent carer supplement of $600 a year will be introduced for carer payment recipients, with an extra $600 a year for carer allowance recipients for each person they care for. This supplement will replace the government’s one-off bonuses. The first payment to carers will be made at the end of June this year.

Unfortunately, the opposition seems to be stuck in the past, certainly as to the rollout of infrastructure and the concerns about borrowings. We have explained many times in these chambers of the House of Representatives, particularly in question time, the strategy of the
Rudd government and why we are investing so heavily through this current budget. As the seat of Forde is considered to take in the Gold Coast hinterland, it does have a number of coalition seats that touch its borders. It is very interesting that, as I said before, some of the coalition members lacked major infrastructure in their regions. In fact, they find it almost unbelievable that a government could consider such a major investment in a region like the Gold Coast. As I have said in this chamber, people consider that the Gold Coast is a very prosperous region, and generally it is, during good times, but it is heavily dependent on tourism and construction. So it is an area that, in a time of slowdown, really does feel the full brunt.

I will give you an example of one of the major manufacturing sectors—the marine sector. The Gold Coast produces and manufactures over 80 per cent of the boats that are made in Australia, and sold in Australia and overseas. The effect of the global financial crisis means that in that industry alone there have been nearly 2,000 job losses. People consider the Gold Coast is rather prosperous yet those areas of construction and manufacturing are hard hit. So it always amazes me to hear opposition to the government putting so much money into building infrastructure and stimulating job growth within the region. In fact, I will quote an opposition member who said:

A lot has been said by Mr Rudd about our bottom line compared to the rest of the world. When the coalition were in government we made it our aim to be the best in the world. World leaders show the others how it is done, as the coalition did in the past … and Mr Rudd and Mr Swan, the Treasurer, have squandered the hard work of the coalition under John Howard and Peter Costello.

Those are very bold words, of course, but the reality is that although the opposition talk about squandering we have a government that has been presented with unprecedented global economic issues. Yet, when we had money coming into this economy through the resources boom—in the Treasurer’s words, ‘when it was raining gold bars’—that money was squandered. There were no significant pieces of infrastructure or outcomes from that era, particularly in regions like the Gold Coast.

For those who are not aware of the Gold Coast and the lack of infrastructure there I will give you an idea. We have a city that developed very much as a tourist location. When I was a child, housing prices in the Gold Coast were half those in Brisbane; it was where the holiday villages and weekenders were. It is a city that has grown in an ad hoc fashion. It is a city that had no major infrastructure for transport.

There was an announcement made just recently of funding of $365 million to put in a light rail transit system, in cooperation with the state government. We are talking currently in this House about carbon reduction. To give you an idea of how beneficial infrastructure investment is, I can tell you that this piece of infrastructure will not only create lots of jobs but, when this project is completed, take 40,000 cars a day off the roads of the Gold Coast. So it really does amaze me that coalition members would be so against the budget. In fact, I do not know whether they are necessarily against the spending of the money or whether they cannot believe that the government would invest in an area like the Gold Coast to that level.

This government is investing in infrastructure. We are investing in jobs and investing in education. In fact, on the Gold Coast there are equity arrangements with the private sector, and a particular member said that it was a smoke and mirrors announcement. On the reasoning of this particular member, the announcement would mean a further equity contribution and the private sector would have to get involved. Isn’t that amazing? Essentially, that is what
we are saying: whatever the rollout is, public and private partnerships are certainly a way we can pull together. Government resources—state and federal—and the private sector can pull together. The private sector need to be major players in any of this investment.

I mentioned earlier in this speech that Bromelton is a major development area, with 8,000 jobs within 10 years. It is an area that will be developed by federal and state governments and the private sector. It is an area that will roll out jobs and opportunities for the future and that will bring productivity to the electorate of Forde.

It was interesting to hear the opposition say that the government is about smoke and mirrors. We are putting money on the table at great expense. That has been stated over and over by the coalition. My interests over many years have been many and varied but property development has been an area of interest to me personally. Consider the example of what we are doing as a government. Every now and then in the property market a developer has to come along, take the risk and invest. And as those developments go ahead you have property managers who come along and manage those properties—considering the sinking funds, the maintenance and a whole lot of ongoing expenditure. But it is the initial investment that is the risk.

That is essentially what the current Rudd government is about: it is about taking that risk and investing. The previous coalition government, during some very good times financially, were able to be the property managers. It was commonly said—certainly when I was at university—about the economic periods of the past that the Menzies era was an era of great results for this country, albeit on the back of primary industries. The Prime Minister could look out the window and say, ‘The economy’s going well; we don’t really need to do anything.’ Things have changed significantly.

The member for Menzies mentioned in his speech the great years of Howard. It was an interesting period. We all know and can talk about many things that occurred during that period of time. But when I was a young businessman back in 1980-81 and Howard was Treasurer I was paying 22 per cent interest for business loans. The economy got worse for me as a small businessman in the manufacturing sector. I had to deal with financial issues and the inability to employ people simply because the economy had fallen so much that I had to pay a horrendously high rate of 22 per cent. And we had a Treasurer who did not have the solutions. That Treasurer was Treasurer Howard, who later became the Prime Minister. The Howard years can be recorded as an era of great revenue streams for this country. But, as I said earlier in this speech, that money was squandered. There are no major pieces of infrastructure that we can point to and say, ‘That was a major project rolled out by that previous government.’

I will mention the Gold Coast. It is part of my region, and I have taken a certain level of responsibility for it. Not only did we get announcements on the light rail but those people who are involved with the Australian Football League will know that there has been an announcement that there will be an AFL stadium built on the Gold Coast, because there will be a new Gold Coast team.

Mr Secker interjecting—

Mr RAGUSE—I did not quite hear the member’s interjection, but I think that he said that he is not an AFL supporter but supports the Blues. The Blues were defeated last night—

Mr Secker—The Crows!
Mr RAGUSE—The Crows—sorry. The area of Karara has been long touted as the location for a Gold Coast AFL team. We know of the announcement that the federal government, in cooperation with the state government, will build a stadium. That is another $36 million that is being invested by this government in not only a sporting facility but the game of AFL, which is a very popular game. In Queensland, it has grown from strength to strength. It is important because of the jobs that it will bring to a region like the Gold Coast, a region that is set up for tourism and which can accommodate and cater for that sort of development.

The Gold Coast will see many benefits. There has been discussion that once the stadium has been built there will be 9,000 jobs created within that region because of sporting tourism. Quite often infrastructure, if it is chosen correctly, can benefit many people. In this case, those who are sporting minded and those who are in the tourism industry will benefit from that major piece of infrastructure. There will be other benefits from it being an events venue.

There were 12 years of neglect of infrastructure by the previous government. I have heard arguments about this in this House. I can give examples on the ground of where the electorate of Forde missed out. As I continue to see, it was somewhere in a black hole. No-one seemed to care; no-one in government seemed to understand that a very vital part of South-East Queensland was being neglected.

The business sector is a major partner in what we do as a government. They are the people at the front line when it comes to the security of the future. Without business, we do not have jobs. Potentially, the sector hardest hit will be small business. But as a government we have invested in small business. The government has announced that it will provide additional immediate assistance by increasing the small business and general tax break to 50 per cent for eligible assets that are ordered and in place between December 2008 and December 2009. This allows small businesses to invest in the equipment that they need. For example, a construction company needs to invest in equipment to fulfil the demand for the construction of new homes due to the extension of the first home owners boost and for numerous infrastructure projects that the Rudd government is rolling out across the country. Not only are we giving the incentives for people to go and invest and purchase homes in this case but we are also providing the tools by way of tax incentives to small business, which enables them to be a major beneficiary.

Councils are another issue. The area of Forde has three councils: the Gold Coast, the Scenic Rim Regional Council and Logan—all areas that benefit greatly from the rollout of our community infrastructure money. The Rudd government will support jobs right now by building the infrastructure we need for tomorrow. I congratulate the Treasurer for having the foresight to invest in our nation’s future.

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (11.05 am)—I thank the previous speaker, the member for Forde, for his contribution in this debate on Appropriation Bill (No. 1) 2009-2010 and associated bills. It is always good to see someone who appreciates good budgets. Unfortunately, our friends in the opposition do not appear to be so supportive—which is a shame, given that this budget is about protecting jobs and providing opportunities for business in our communities.

Through this budget, the government has a massive national infrastructure spending program that delivers for regional Australians and, indeed, all Australians into the future. My electorate is the seat of Lingiari, which is, as I have explained on a number of occasions in
too many to remember even—1.34 million square kilometres. The government is delivering new and improved community health and education facilities and programs for the families in electorates across regional and remote Australia. My electorate of Lingiari is vast and has a population that is very widely dispersed. There is expenditure in this budget that goes to schools. There are 123 primary schools in my electorate. We have diverse population centres. The major population centre is Alice Springs, which is where I live. Thankfully, the investment in the Northern Territory will go to address many of the needs that we have for physical infrastructure—most notably, in dealing with the issues of those most marginalised of all Australians, Indigenous Australians who live in remote communities. I will come to a lot of the detail of that later on.

The expenditure in the Northern Territory, and in Lingiari, in particular, will have a tremendous impact on those communities—on all communities—in terms not only of providing infrastructure but also providing job and business opportunities. I have visited a number of schools over recent weeks and I have spoken to a number of small business people. It is very clear that, whilst many parts of Australia have been experiencing issues to do with increased unemployment and problems with business viability, that is certainly not the case where I live. That is largely as a result of a very vibrant Northern Territory economy, which is underpinned by Commonwealth government outlays.

Whilst the Northern Territory general budget gets around 80 per cent of its revenue directly from the Commonwealth government, the items in this budget provide enormous additional stimulus to that economy. They also provide the sort of infrastructure that will assist the further development of business and allow the further exploitation of our resources, particularly in the mining and pastoral industries, while at the same time providing the social infrastructure that the community most needs.

A very good example of this sort of investment is the investment in the port of Darwin. The government has made an announcement of $50 million to be spent on the Darwin port. This will allow major expansion of the port’s capacity, including new berthing and ship-loading facilities. We already know that resource and live cattle exports through the port are growing rapidly. There is growth of iron exports from Territory Resources’ Frances Creek mine near Pine Creek. Bootu Creek manganese also continues to be exported through the Darwin port and the huge Wonarah phosphates deposits east of Tennant Creek are also likely to go through the bulk loading facility at the port. That is an enormous opportunity. It will provide ongoing investment opportunity for small business and jobs for Territorians and others, who are increasingly travelling to the Northern Territory looking for opportunities.

I will not go into detail of the road expenditure in the Northern Territory, but it is significant. We continue to have an obligation to invest in our national highway system. That is carried through in this budget. The main transport links into and across the Northern Territory are the Stuart Highway, north and south, and the Barkly Highway, east and west—east from the Stuart Highway just north of Tennant Creek and west from Katherine. There is also the Victoria River Highway. They are the major highway arterials and they carry the bulk of the cattle which traverse the Northern Territory to eastern markets and to the Darwin wharf to become live cattle exports. It is important that those opportunities remain. They will only remain whilst ever we have the transport infrastructure that meets their needs—hence the importance of the expenditure on roads.
There is quite a deal of money allocated in this budget not only for those major highways but also for significant arterial roads which have previously not been funded significantly enough. The Tanami Road, for example, is but one and the Plenty Highway is another. The Plenty Highway, which travels east from the Stuart Highway just north of Alice Springs across to close to Boulia, provides an opportunity for people travelling into and out of the Northern Territory and provides significant potential for the pastoral industry.

In this budget, the Rudd government continues to focus on improving health outcomes for the Territory. Some very, very important investments have been made as a result of this budget. The Menzies School of Health Research is the only Australian health and medical research institution with a primary focus on the health of people living in tropical parts of the country. They, like me, welcome the government’s $34 million investment in the school, providing a solid foundation for significantly improved long-term health outcomes for those Australians living north of the Tropic of Capricorn.

Just as important for Northern Territorians, and indeed all Australians living in remote and rural areas of the country, is the great news that the Australian government will develop a new medical school at Charles Darwin University. This is absolutely imperative. It is important in making sure that we not only attract young people into the medical profession but at the same time give them an opportunity to train in the north of Australia in remote communities. Then, hopefully—and I am sure this will happen as an outcome—young doctors who would otherwise not be thinking about a career in the north will actually stay in the north.

Charles Darwin will work in close collaboration with James Cook University in North Queensland and Flinders University in South Australia. The upshot, of course, is that many more students will be acculturated into the ways of the north. This will hopefully attract them to stay there and further their careers.

One of the most significant investments that I am really pleased about is in my home community of Alice Springs, where there will be a $13.6 million investment to build a new emergency department at the hospital, including 35 treatment cubicles, a 10-bed short-stay unit, paediatric and psychiatric assessment areas as well as isolation and procedure rooms. This will also provide an opportunity, I think, to develop a purpose-designed surgery for ophthalmic surgery, which is obviously very important in terms of eye health in and around remote parts of the Northern Territory but most importantly around Central Australia. This facility is long overdue.

The Australian government will also, as result of this budget, fund a new 50-unit accommodation complex in Darwin that will help house those remote Territorians who need to accompany family members who have serious medical problems. The complex will also house recovering patients still too ill to return home. This $18.6 million investment will seriously reduce bed-block at Royal Darwin Hospital. We need to understand how important this is. The investment in this hospital infrastructure in Alice Springs and Darwin services remote parts of the Northern Territory, and many of the clients that will be using this new facility at the Darwin Hospital will be constituents of mine. They will not be residents of Darwin; they will be people who live outside of Darwin in the seat of Lingiari, primarily Indigenous people, who suffer acute health problems, as we know. The treatment is available for them at these two hospitals, Darwin and Alice Springs, and they do a very good job. But, importantly, one of the
ongoing issues has been accommodation for people travelling into these major centres for health reasons.

Education has been a major beneficiary, as we know, from this Rudd budget. In the case of Charles Darwin University, it has been the beneficiary of $30.65 million allocated for the establishment of the Australian Centre for Excellence in Indigenous Knowledge. A total of $191 million over four years, including $102 million this financial year, has been allocated for education infrastructure in the Northern Territory.

I have said on many occasions in this place how important education is to alleviating the poverty that many of my constituents experience. The investment which the Rudd government has made in school infrastructure alone will have a tremendous impact on the opportunities for young Territorians, but of course young Australians generally around the nation. But in my own case, where we have very low levels of educational attainment and very poor educational outcomes, not only do we need the opportunities provided by new infrastructure but we also need more engagement with the education profession to ensure that we get the best possible people teaching our kids in the bush.

Interestingly, as part of an election commitment, the government has already provided additional money for an additional 200 teachers in the Northern Territory. That will have a measurable outcome in terms of improving the educational status of many Aboriginal Territorians who live in remote communities. As I have said on many occasions in this place, the key to unlocking the opportunities for Indigenous Australians is through education. In remote communities, this is particularly so. If we are to address poverty, then we must be dedicated to the expenditure that the government has made in this regard.

Unfortunately, and sadly in my view, the expenditure has been opposed by our opponents. It is a bit of a shame, really. They could not see the wood for the trees—political expediency and opportunism defeated the need for a higher moral vision about what is good for Australia, and what is good for Australia is this investment in education. I applaud the Prime Minister, the Deputy Prime Minister as well as the Treasurer and the other cabinet members who are responsible for determining these outcomes, because they will have, as I have said earlier, a measurable impact, a significant impact, on schools and students across the Northern Territory.

As I have visited schools, there is no doubt about the delight there is about the infrastructure investment. But in this budget not only are we talking about school investment; we are also talking about VET opportunities. Remote VET students will benefit from a $7.89 million investment in fitting out two road trains to act as mobile trade training facilities to take VET training to wherever there are students in the Northern Territory. That is a significant opportunity. People who currently have to travel away to get educational opportunities will now in many instances see an opportunity to be trained in their home communities. And that is what we should be looking for.

As I have said previously in this place, people in these remote communities in particular do not want to relocate if they can avoid it; they would rather see the service in their home communities. There are opportunities in these communities—real opportunities. Unfortunately, people do not have the skills that are normally required to take advantage of these opportunities. This investment, as well as the other investments in education that I have spoken about, will have a significant impact in that regard. As we know, the government has separately in-
vested $807 million in closing the gap. That money alone is very important, but it will not work without the cooperation of the Northern Territory government and the communities whose needs this investment is designed to address. I am pleased to say that there has been a great deal of cooperation not only from the Northern Territory government but also from the communities. It is significant that one of the positive outcomes of the Commonwealth intervention in the Northern Territory has been the increasing number of policing and substitute programs which now operate. This budget will provide $156.6 million for the training of new police, five permanent police stations and the continued operation of 10 existing remote police stations.

Primary health care in Indigenous communities will be boosted by $131 million over four years. In addition to targeted prevention activities, this will assist in reducing the burden of chronic disease and provide greater access to the Pharmaceutical Benefits Scheme. These are features of the Closing the Gap in Indigenous Health Outcomes National Partnership.

Significantly, $45 million in this budget has been allocated to assist the delivery of literacy and numeracy programs in Indigenous schools to augment the investment that I spoke about previously. Also, $11 million has been provided for an additional 22 houses for teachers. One of the issues which I think escapes many people who do not know this part of Australia is that they think that you get a school, you put it in place and, presto, you have educational outcomes. It does not work like that. What you need to do is make sure that people are being looked after, that there is proper primary health care, that public health issues such as housing are properly addressed and that the educational infrastructure provides those professionals who want to teach in these communities with appropriate accommodation. Frankly, in the past, this has not been the case. As I have said on numerous occasions in this place, this has not been the case because successive Northern Territory governments have failed in their obligations to invest in the provision of educational opportunities for Indigenous Australians. We now have to redress that. Closing the gap is part of that but, importantly, that will take a long time. In my view, it will be a generation before we see really positive outcomes.

At least two generations of Indigenous Australians in the Northern Territory have suffered because of disinvestment in educational, housing and transport infrastructure—you name it—in these communities. Now we are left with the burden. It is now up to us, in this government, to redress this very poor outcome. It has been a real shame that the previous administration in this country, the Howard government, did not do this job properly. Cheap politics was what they were about—not actually listening, talking and working in partnership with communities to get the outcomes that these communities needed to make sure that all citizens in Australia got a real opportunity for education and jobs. As I said earlier, the Northern Territory is largely immune from the current financial crisis, except people in these bush communities. The employment market in Darwin and Alice Springs is buoyant; but, if you are an Indigenous person without skills, you have next to no hope of getting a job. That is why this investment is so important.

I could go on and on and on about the importance of this budget for the Northern Territory, but my time is about up. I see an aspirant sitting over here. The member for Eden-Monaro is a colleague of mine and he is very keen to speak on the bills. However, before I finish, I want to highlight one measure which is very important to the town of Katherine. Through the Community Infrastructure Program, we have allocated $3 million towards the $7.8 million Kathe-
rine Regional Cultural Precinct. The precinct will provide Katherine with a quality regional facility to hold conferences, functions, exhibitions, performing arts events and ceremonies. It needs to be understood that this is a true partnership—a partnership with the local Indigenous community, the Katherine Town Council, the Northern Territory government and the Commonwealth. If we work collaboratively like this, we will get the outcomes that we all need. I am sure that if we see the positive opportunities that exist in this budget do exactly that then all Australians will benefit.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (11.25 am)—It is a great pleasure to rise in support of Appropriation Bill (No. 1) 2009-2010 and cognate bills and to follow my good friend and colleague from the Defence portfolio who shares many of the benefits of this budget in a regional context. This is a budget for the times. It is a budget that is about jobs, prosperity for the future and setting a clear path back to surplus. It reflects the Rudd government’s strategic and decisive approach to the economic crisis that has been unveiled over a period of time. It is a strategic approach that is characterised effectively by three phases. The first phase was a stimulation to demand and consumer activity through injecting cash into the economy, which has certainly had a tremendous effect in electorates such as mine. My electorate has a cross-section of the Australian community, and it really does demonstrate the value of that strategy. I will come back to illustrate that point later. The second phase, short-term shovel-ready infrastructure investment, is definitely holding up the labour market at the present time and helping us to support, as Treasury indicated, approximately 210,000 jobs. This feeds into the third phase of the strategy, the long-term strategic infrastructure investment that this country so sorely needs. That investment in long-term infrastructure is what will help to turbo-charge the economy when we start moving into the recovery phase, which in turn will help us to move more quickly back to the surplus that we will need to have as we move into the great economic challenges of the future.

The budget, at the same time as working on the current challenges—incredible deficit issues that we face and stripping out of government revenue—has managed to tackle some major social and productivity goals by delivering on pension reform, which is something that has been a long-held concern for both sides of politics but which we have now actually delivered on to the great benefit of so many people in my electorate. We have also delivered on parental leave into the future, which is not only a great social good but also something that will aid productivity as we move forward to a recovering economy.

The $22 billion investment in infrastructure is something that I am particularly pleased to see. I think we will all recall the images during the boom years where we saw up to 65 vessels sitting idly off ports, and there was the problem of the burden on our road and rail infrastructure which was really holding back the economy—sclerotic arteries if you like—at a time when we really needed to move forward to take advantage of the specific surpluses and investment opportunities that those boom years gave us.

Apart from that important tackling of our strategic infrastructure issues, what we are now seeing is the tackling of our climate change issues, particularly the investment—

A division having been called in the House of Representatives—

Sitting suspended from 11.29 am to 11.47 am

MAIN COMMITTEE
Dr KELLY—It is quite appropriate that we were interrupted during a speech in relation to passing the Carbon Pollution Reduction Scheme legislation. I was just about to move on to the aspect of the budget that has very importantly moved the ball forward on our climate change challenge and also met some deeply held concerns by my community. In Eden-Monaro we are home to the Clean Energy for Eternity movement, which has garnered widespread support throughout the community not only for its concern over climate change but also for mobilising individual effort on tackling the challenge and doing what they can as individuals to move the ball forward. They will be greatly heartened and pleased to see the $4.5 billion worth of investment in tackling climate change and moving clean energy forward. In particular, there is $2 billion for carbon capture and storage, which is so important to enabling us to transport that technology to deal with the issues arising from the dependence on that energy source by China and India. There is $1.3 billion for four large solar electric generation projects, which will give us 1,000 megawatts of electricity—the equivalent of a coal-fired power station. That was particularly well received in my electorate. There is $465 million to establish Renewables Australia, an independent body to support leading-edge renewable technology research and development. Earlier, we saw a massive investment in the 2.7 million homes that will benefit from the ceiling insulation program, not only creating local jobs but making a real and practical contribution to reducing our carbon emissions, equivalent to taking one million cars off the road. I can assure you that that was very well received in my electorate.

I was also very pleased to see that we tackled the key issues that are facing Defence in this budget. We have seen some significant legacy issues left to us and now we are moving forward with a strategic reform program that will deliver $20 billion in savings. More pleasing to me is the fact that at the same time we are directing $30 billion towards remediation of so many hollow gaps in our capability and addressing deficiencies in investment in our infrastructure. As I have responsibility for the Defence estate this is a matter of particular concern to me. We saw that after 1996 the investment in the Defence estate dropped by $200 million from the $600 million spent under the Hawke-Keating government down to $400 million. That continued throughout the Howard years from 1999 onwards, leaving a huge problem for us to redress. So I am very pleased to see $30 billion being dedicated to remediating those deficiencies.

Also, we are moving to the new budget mechanism for Defence of commitment to the three per cent real growth to 2017-18, 2.2 per cent to 2030 and a 2.5 per cent fixed indexation mechanism from 2009 to 2030 to get away from the deficiencies of the non-farm deflator mechanism, which was so uncertain and variable. The investment that we will be making through the Defence white paper process will create 5,000 new jobs in defence related industries in this country at the same time as helping to transfer skills and technology. I am really pleased to have been a part of that and to see us moving forward now to put our Defence budget on a sound basis.

Particularly important also is the investment we see in this budget in education. Education for a country like ours is absolutely critical. It really is distressing for me to see someone like the shadow Treasurer and the member for Warringah claiming that this is poor-quality spending. I think they should take a trip through the schools in my region. I have met on several occasions now with large groups of principals and the community and they certainly do not
share that view. I am sure you might have had similar comments passed to you, Mr Deputy Speaker Schultz, from the principals, parents and teachers in your electorate. This is an investment as much as it is creating a short-term stimulus. In small country towns, as I know you will appreciate—a town of 3,000 or 7,000 people—doing this building work on our local schools really has an amazing ripple effect. It is extremely important. But, as I said, most importantly it is an investment in the future.

We cannot participate in a race to the bottom on wages with India and China. That is just simply out of the question for us. So how do we equip our kids to meet the challenges of the future? Last December I was in Israel. They have a similar issue there—they are a small population and they cannot compete on low wages—but their economy had a growth rate of 4.1 per cent in 2008 and five per cent in previous years. At the moment they are looking at a growth rate of 1.5 per cent in 2009. It is amazing to see how many of the headquarters of major technology companies are based in Israel. I drilled down to find out why this is so, why they are able to attract these companies and maintain this growth rate, and it is based purely on a skilled workforce—the investment that they have made in skilling and educating their workforce. It is a fact that although you will have IT workers in India, what you have in Israel, because of this investment in their education, is an innovative workforce. For this reason the Israeli worker is in effect 12 times more productive than an Indian IT worker.

So the investment that we are making in the Building the Education Revolution and in our tertiary education is money extremely well spent for the future of our economy. So I would beg to differ with the comments that it is a low-quality spend. It just shows the lack of understanding of what is required for the economic management of this country. Associated with that of course will be the National Broadband Network, the $43 billion scheme that is going to be of such vital interest to rural and regional Australia. It will help us to get over the tyranny of distance. It will ensure that our schools in rural and regional Australia will be able to attain the same level of quality as schools in the cities. We will have virtual classrooms so that kids in Moruya or Jindabyne will be able to get language training from a teacher in Sydney through a hook-up. This is training that they cannot get now because those resources are not available in the bush. So there is enormous potential in education and in medicine, but in particular this will be the spine that will aid small and medium enterprises that are distant from the city to compete and prosper. This is effectively the Adelaide to Darwin telegraph scheme of our times. That visionary project in the 1870s has enabled Australia to participate in the world economy by engaging in international trade more effectively. It took a visionary government and governments at that time to understand that they had to step in where private industry just could not because of the problems of geography and the population scale. So it is a very similar dynamic and similar scale of economy that we are talking about with the NBN plan and it is very welcome to see that investment move forward.

Similarly, health has been such a critical issue in the bush. It is great to see the increasing investment, to cover the 12 years of neglect from the Howard government, where the contribution dropped by $1.5 billion because it let its contributions slip to only 40 per cent of the requirement. With $64 billion going into the system—an increase of $20 billion, which is 50 per cent more than we had seen under the previous Australian healthcare agreements—help will really be delivered to our health system.
In particular, in this budget, we have seen the injection of $134 million to boost medical support to the bush. That money will go towards reforming and enhancing incentives to encourage doctors to go to rural and remote communities. This is fantastic news that was very well received in Eden-Monaro.

Specifically, I would like to turn to Eden-Monaro to illustrate the impact of the budget in terms of the stimulus, the strategy and the effectiveness of it. There have been a lot of comments about the cash handouts—the so-called cash splash. There is absolutely no question that that stimulus measure delivered to Eden-Monaro the best summer holiday season we have seen in many, many years. That holiday season carried through to Easter, as well. Our small to medium enterprises often survive from summer to summer through the strength of those tourism seasons. So you can see the time that that has bought us, and the stimulus and the impact of that cannot be understated.

The First Home Owner Grant scheme has really boosted our timber industry—our region is heavily dependent on our saw mills and our timber industry—and keeping up those construction levels has really helped. The pension measures and the measures to support our carers have assisted roughly 32,000 people in Eden-Monaro. The investment in our 62 primary schools and 19 high schools has been enormous. I note that the up-to-date statistics that I have are that 82 of my schools so far have had 109 projects approved, totalling $26.2 million worth of investment. Overall, of course, across the electorate, with the investment in the community infrastructure programs and working with our local councils, we have seen 533 projects, totalling $43 million. This is having an enormous impact.

To support our local medical services, we have seen the investments in our rural medical practices, through the Rural and Remote Health Infrastructure program, so that $274,000 has gone to the Bega Valley Private Hospital, $550,000 to the Bombala Street Surgery in Cooma and $270,000 to the mobile podiatry service for the south-west slopes. This is having a tremendous impact, particularly with the Bombala Street Surgery, which is able to act as an incubator to get medical students and doctors out into the region. One of the most important of all, though, was $260,000 that was delivered for the Bombala Surgery, finally rescuing poor old Dr Colin Pate there. He was really suffering badly as the one-armed paper-hanger, trying to deal with that huge area all the way across the Victorian border up to Cooma. With the death of Dr Jamieson in Delegate, he was really at his wits end, preparing to leave had we not been able to deliver support. With that $260,000 investment, we have been able to attract another doctor to the area. We got a bit of a two-for-one deal there because her husband is a radiographer, and that has proved a very successful injection of support for rural and regional Australia.

Roads investment is certainly critical. The Bega bypass will deliver great economic benefits. Right now, you have trucks and B-doubles that you have to uncouple and couple on the outskirts of town. When you add that up over time, it is a significant economic impost. It is also a major safety problem for the region. All of these things will be greatly received. The investment that we will see in clean energy will also be well received.

This is about getting jobs into rural and regional Australia. We are actually seeing that have an effect. The capital wind farm at Lake George, which I know my friends in the ACT will know all about, is providing jobs for people in and around Bungendore. Mr Deputy Speaker Schultz, you will appreciate the $220 million injection into your local economy as well, with
a 63-turbine wind farm. We also have the potential of Boco Rock, a 127-turbine wind farm in the Nimmitabel area, which will be a huge investment. We have seen companies like Dyesol and Lloyd Energy coming into the region. There are solar farm projects that we have planned for Bega, biogas pilot projects and biomass for using the woody waste from the timber industry, and of course we will be exploring wave energy projects for Eden. That has all been well received, as has the 50 per cent small business tax break for eligible assets and e-business. These are enormous benefits to the community.

The statistics show that the strategy is working. We have seen retail sales figures 4.8 per cent above levels for November last year, whereas they have fallen by 1.1 per cent across major advanced economies. ABS building approvals data for April showed a rise of 5.1 per cent. We have seen the lowest current account deficit as a proportion of GDP since the September quarter of 2001 and an increase in the trade surplus. The level of net foreign debt declined compared to the coalition’s record. After the coalition claimed that they would reduce it, it rose by 200 per cent. We all remember the famous debt truck, which was purely focused on that issue. So there was total and abject failure in that respect, but we are moving forward. In the last 24 hours we have seen the incredible news that we have done very well in the face of the global economic recession, achieving growth of 0.4 per cent. This has kept us out of technical recession. While we still face incredible challenges, it does show that the strategy is working and that we have managed to cushion some of the impact of this incredible challenge that we face.

The coalition is addicted to scaremongering. They did it with refugees, unionists and China and they have now moved on to debt—probably the most dishonest of their campaigns. But the public is finally treating them as the boy who cried wolf and has moved on from being concerned about this scaremongering. What was the contribution of the coalition in the course of this crisis? Last year they suggested a fuel excise cut of 5c a litre. What a great measure that would have been—how that would have helped us to tackle this crisis! That would have gouged $22 billion in revenue, without any plan to compensate. Then we saw the member for Curtin, as shadow Treasurer, talk about a wonderful measure to raise revenue, being to cut taxes. This seem to be the cure for everything—cutting taxes—but I do not think that that would have assisted us in the current crisis, and they have had nothing positive to offer this time around.

The key to considering this debt is, firstly, the strategy of spending, which I have outlined; and, secondly, the proportion of GDP. Net debt as a share of GDP is expected to rise to 74.9 per cent in the Euro area, 83 per cent in the UK, 83.4 per cent in the US and 136.3 per cent in Japan. Here, net debt is forecast to peak at 13.8 per cent of GDP in 2013-14, so it is important to keep that in perspective.

The Rudd government’s spending is a sensible response to the current situation as endorsed by the OECD and IMF. It is also an investment in our future. We have been doing well in this crisis relative to the rest of the world because of the team effort involving the states, territories, local government, communities and business. Conspicuously absent from that team effort has been the coalition. The coalition have nothing to contribute but putting on the bogeyman mask. They are a policy-free zone. They refuse to recognise what is going on around us internationally and will not lift a finger to help the nation in this challenging time. In other words,
they have brought a new twist to an old adage in that their philosophy is to deny globally and wreak locally.

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (12.04 pm)—It is a pleasure to follow my colleague the member for Eden-Monaro. Since he has held that position it has been very rewarding for those of us working here in the ACT to work with him on regional initiatives and issues of concern to people spilling over the border from the ACT into Queanbeyan and the surrounding areas. I welcome the opportunity to follow him and endorse the remarks he has had to make about the regionally significant initiatives in the budget.

In the time available I want briefly to say something about the macroeconomic situation, talk about some issues of significance locally—both local and national issues of particular interest to constituents in my area—and then in the remaining time available to make some general marks about the development assistance budget. One of the privileges of the position I hold is the opportunity to attend some international conferences representing Australia, which I did recently. One of the regular aspects of commentary around the edges of those conferences is global recognition of the appropriateness of the shape and scale of the economic response of the Australian government to the global downturn, both in terms of what we have done domestically and in terms of our advocacy and leadership internationally. What I find strange is that in Australia and in the Australian parliament we have people arguing positions about the appropriate response that are economically far to the right of the IMF, far to the right of the World Bank, far to the right of the US Federal Reserve and far to the right of the Reserve Bank of Australia. If the IMF is not conservative enough for your economics, you had better re-examine your position. I am a great fan of the work of the IMF; I think it should be conservative. I am a conservative about the IMF. I have more dramatic views about the need for change in the World Bank, but I think the IMF plays its role appropriately, but it is very much the advocate of economic orthodoxy, and its position is that Australia’s response is appropriate in its shape and its scale. So I think macroeconomically, the package that this government has brought down, in its interim measures and in the budget, positions us as well as is possible in the face of a very serious global economic situation, which is affecting all of the developed countries but particularly is having devastating ramifications in the developing countries.

Let me talk more broadly about the budget as it relates to the ACT and the people I represent. I want first briefly to acknowledge two issues of fundamental importance that have been raised in community meetings that I hold around the electorate regularly and that will come to fruition as a consequence of this budget. That is the question of paid parental leave and the question of the increase in the age pension. I do not have time to speak at length about those, and I do not have anything unique or original to say. They are things I have spoken about in the past in the constituency and I am just so pleased to see them in this budget. They are the sorts of measures that, once put in, will never be taken out. It has taken a long time to come, but once it is introduced it will be there forever. For pensioners and families with children these are fundamental reforms.

In terms of the budget for the ACT I had the opportunity on Wednesday morning at the traditional Chamber of Commerce and Industry breakfast to speak at length about the implications of the budget for the ACT. I will not repeat that here. I just want to say that it is very
good news for the ACT mainly because we are part of Australia and it is good news for Australia, but it does have some specific measures that I want to refer to. Everybody sees Canberra as a Public Service town, and of course the Public Service is very important and I am proud to represent all those people. Contrary to the expectation, this is a budget that has positive things to say about Public Service numbers.

But what is underestimated about the ACT, and particularly about my electorate of Fraser, is that it is a university city. A very significant driver of the economy of the ACT and the economy of the electorate of Fraser is tertiary education, science and research. This has been a fantastic budget for universities, long term and in the short term, and a great budget for science and research—long-term reforms of funding formulae that will transform the sector and capital injections.

I want to draw attention to two capital injections into the ANU. I did say at the breakfast I spoke at on Wednesday morning that I wanted an inquiry into my suspicion that my good friend the Vice-Chancellor of the ANU, Ian Chubb, had hacked into the Treasury computer and typed a couple of paragraphs in. Because it is such a good budget for the ANU, I thought he must have put in his private wish list.

There are two things that are of long-term significance to the nation, the university and the region. One is the establishment of an ANU chemical sciences hub. It is immediately valuable because of the $90 million injection, but in the long term it is going to create for the region and the nation a focal point for modern, 21st century chemical science expertise. It is going to create a centre of excellence of global significance.

The second thing is something I have been campaigning on for a long time—stage 3 of the John Curtin School of Medical Research. I have been talking to the leadership of the John Curtin school for more than a decade about the three stages of the transformation. I congratulate Professor Whitworth for the foresight and persistence she has had. When we started talking about it and she outlined the ambitious plans she had, I thought they were terrific but heroic. I was pessimistic about mobilising the resources, but in this budget we see stage 3 coming to fruition. It will have immediate employment consequences because the contract is ready to go. It will also be a great basis for modern medical research in Australia. The John Curtin school has produced Nobel prize winners and remarkable world-leading medical research. Stage 3 is a very exciting initiative for me and the region.

I briefly thank also the Minister for Health and Ageing for the ACT cancer centre initiative. That is something I have been talking about for a long time.

It might seem strange that the next thing I am going to talk about is of interest to my constituents, because it does not have any economic relevance to the ACT. As I go around parts of my electorate people consistently raise concerns about the future of the ABC, its long-term decline and funding for it to participate in the increasingly competitive television market. In this budget there is $150 million over three years to enable the ABC to do a number of things, but I particularly want to focus on increasing the level of Australian drama content on the ABC. There is a similar $20 million increase for SBS.

This will transform the television industry. It will create enormous opportunities for Australian actors, writers, musicians and technical workers. It will increase significantly the volume of work for those people. Culturally I find that so rewarding and enhancing. I know that there
will be people in Canberra, particularly, of course, the Friends of the ABC, who will be very excited about this initiative. I am delighted to welcome it. I congratulate the government on it.

In my remaining time I want to say a few things about the development assistance budget. I am not going to go through it chapter and verse. The parameters and framework of the development assistance budget are set out in great detail in what we call the blue book, which is published with each budget. Standing here and reading that into the record will not add any information for anybody. I want to talk about some of the big-picture questions around it. Why is it as it is? If people want a description of how it stands, they should look at the blue book and read both the framework statement in the beginning and the detailed outline. I want to talk for a few minutes about why the development assistance budget looks like it does.

The fundamental driver is the commitment that we made in opposition, which we have honoured in good times and now in tough times, to regularly increase the aid budget to achieve 0.5 per cent of gross national income by 2015. That is not an easy commitment to maintain in a budget like this. I congratulate the Treasurer and the Minister for Foreign Affairs on the work they did to maintain that commitment. The budget shows us getting to 0.4 per cent by the end of the forward estimates period and being on track for our 0.5 per cent commitment.

People are entitled to say that 0.5 per cent does not meet the international standard—that we should be aiming for 0.7 per cent. In the long term that is our aspirational goal. But one of the realities of public life is that you cannot start from where you want to be; you have to start from where you are. And where we were was at 0.3 per cent. To get to 0.5 per cent by 2015 is going to be a major effort. The interesting thing in the data is that there is a little phrase in the budget papers that says that the 0.34 per cent level that we have achieved in this budget is the highest achieved since 1995-96. I would just ask people to think about that for a moment. That means that it is the highest since the last Labor budget of 1995-96. It has taken us two budgets to get back to where the Hawke-Keating government was. It has taken us two budgets to repair all that damage—and we have further to go. That is the first thing that defines the character of it: it is the 0.5 per cent commitment.

The second is it reflects the reason we made that commitment. There is a dual track. One is a humanitarian obligation to fight global poverty—and I am delighted to see the enthusiasm of so many young Australians to support that commitment—but parallel to that is just a clear-eyed recognition of Australia’s shared interest in a peaceful, prosperous region and globe. I am unashamed about saying that part of the reason we do this is our self-interest. To be able to do a thing which has a humanitarian purpose and outcome and unashamedly say, ‘I support it secondarily because it is in our national interest to live in a peaceful, prosperous globe,’ I do not apologise for. That is a legitimate reason to spend Australian taxpayers’ money.

There are a lot of particular initiatives in this budget that I could refer to, but they are outlined in detail in the budget papers. I want to mention two things. One very briefly, but I am proud of it, is in the framework statement at the beginning of the blue book, which is the outline by this government—by the foreign minister, by my colleague the Parliamentary Secretary for Pacific Island Affairs and me—of why we are doing what we are doing. We talk about education as the flagship of this government’s development assistance. I am very committed to that. It is a priority that we will continue to pursue.
The other is the initiative about food—about agricultural development and food in developing countries. I just want to take a minute on this because there has been some criticism that we are spending money on helping people in Africa, the Pacific and Asia—but the criticism has been particularly with regard to Africa—to grow food at a time when it is difficult for our farmers in Australia. I want to confront that argument head-on. I am not the slightest bit defensive. When Australians see starving children on television, they are wonderfully generous people. The statistics show that they are almost the most generous people in the world in terms of their response in donations to international NGOs. If we are going to be generous in response to that crisis—and we are and we should be—surely it makes sense to try to stop them from starving. That is what this is about. People can come up with very complex, convoluted arguments, but in the end you have to distil it down to its essence. What we are trying to do is say, ‘Let’s not have appeals to feed starving children; let’s stop them starving.’ That does not seem like a bad principle to me.

If people think we should not be investing money in that, I am happy to have that debate in any forum, anytime, any day. It is in fact the case that the character of some of our investment in the agricultural research conducted by the Australian Centre for International Agricultural Research benefits Australian farmers as well, from research into production in semi-arid areas to fighting some of the diseases of crops and animals that occur in Africa and in Australia. I welcome that. That is a very good thing. But I am happy to defend it straight on the basis that we are trying to contribute to stopping the children starving in the first place, because we have a long-term global food crisis.

Economic history tells us that this global economic crisis will pass. It is difficult; it is tough; and it is going to last longer than any of us would like, but like all economics crises it will pass. When it finishes, we will still have a global food crisis because the drivers of the imbalance between supply and demand will continue. I do not have time to talk about them but they will continue, and so the global food crisis will be with us when the global economic crisis passes. I want to see us focusing on that. I want to see us looking at the things that Australia can do, as a great agricultural nation and as a great humanitarian nation, to combine our skills and resources to focus on agriculture.

Before I conclude I want to quote one statistic. In 2005-06, 16 per cent of the people of the Asia-Pacific region were hungry in terms of having consumption below the minimum dietary energy requirement of 1,800 calories per day set by the FAO. That percentage represents 542 million people going hungry in our region. With the increase in food prices as a result of the global food crisis in 2007, that figure increased to 582 million—another 40 million people were going hungry in our area. That is what we are trying to confront—and this issue is even more dramatic in other parts of the world.

So I am proud to be associated with and to be contributing to the development assistance program. I am proud to work with the Australian people who are working inside AusAID, NGOs and international organisations and who are contributing as individuals and as part of the global movement to fight poverty and to ease hunger in the world. We are trying to deal with the fact that we do not want to have to dig into our pockets to save starving children; we want to feed them, give them a chance for a decent future, an education and health system that enables them to make full use of their talents.
I am proud to support the budget as a citizen looking at the macroeconomics of it and as a representative of this region because of the initiatives within it that will enable worthwhile things to be done, jobs to be created and future opportunities for our children here. I am also proud of the budget because of what it does for our culture and because of its development assistance approach, which creates a framework that I am proud to represent and that I think will stand Australia in good stead in our region and globally into the future. I support the bills.

Mr Kerr (Denison—Parliamentary Secretary for Pacific Island Affairs) (12.22 pm)—It is with some degree of appropriateness that I follow the member for Canberra, the Parliamentary Secretary for International Development Assistance, because he has encapsulated the core sets of values and overarching principles that motivate and activate our engagement with the global community in the struggle to provide an effective response to the millennium development challenges. More particularly in our region, he made reference to our self-interest because, with respect to the Pacific Island region, it is simply impossible to separate our interests as a neighbour, our strategic interests and our economic interests, with those that relate to international development assistance. In my role as Parliamentary Secretary for Pacific Island Affairs, I work very closely with the member for Canberra, and I put on record my appreciation of the very effective partnership that has evolved in that regard.

Because this particular forum will come to a close in about six minutes, I will use the opportunity I have today to address some of the more specific Australian issues, as well as some of my own electorate related issues, and return to the larger issues for which I have portfolio responsibilities, together with the Minister for Foreign Affairs and the Parliamentary Secretary for International Development Assistance, when I have the opportunity and parliament resumes after this coming break. I put on record now some general remarks about the budget context and the circumstances that confront me as a member of an electorate in the state of Tasmania and representing very proudly the people of its capital city, Hobart, as well as Glenorchy and now parts of Kingborough.

In the BBC program *Yes, Prime Minister*, the Secretary of the Department of the Prime Minister often confronts the Prime Minister, Jim Hacker, with the proposition that something would be a courageous decision, and that is seen as code for a decision which is likely to create political controversy and to be resisted if the party in government is to not face some difficulties. But true courage in politics is actually about facing up to the realities that a community has to confront, doing things in anticipation of what is required and taking the necessary consequences that can be easily criticised. When this government made the decision in the teeth of the global economic crisis to make large expenditures to insulate, as best they could, Australia from the global recession and to play its part as a nation in a response that prevents what is a global recession becoming a global depression, that was truly a courageous decision. It was a courageous decision because it has been traduced consistently by the opposition, which is not willing to grapple with the huge complexities confronting the global community, rather they simply parrot phrases about debt.

You have to understand that when the world last faced consequences of the kind we faced at the threshold of the great global recession that we have confronted, the world plunged into not a recession but a depression in the 1930s. This is the worst set of economic circumstances facing the globe since that time. At that time, leaders who did not have the benefit of the experience that we now have took measures that actually exacerbated the Great Depression.
They retreated into isolation; they retreated into protectionism; they did not make large expenditure into infrastructure; they did not make the kind of spending commitments that the G20 has committed itself to; and as a result we faced a long and prolonged depression, with 20 per cent of people out of work in most of the developed world economies.

I do not pretend in any way to suggest that we are out of the woods with the difficulties facing Australia as a result of what is still a very deep global recession—those risks still remain—but we would have the best possible chance because this government took courageous decisions to inject funds into the community early and make infrastructure commitments that will have long-lasting benefit for all Australians in order to prevent that kind of consequence. We play our part both as a global participant in a larger set of decisions and domestically in a way which protects our community from the worst-case scenarios.

I look to my own electorate very briefly in the couple of minutes that remain. Since the Rudd government was elected, the seat of Denison has benefited from something approaching half a billion dollars. Of that I can identify $168 million in direct stimulus infrastructure funding in Denison alone to date. Some of the highlights include school upgrades—more than $7 million for much needed repairs and maintenance in 49 local schools. Ten of our primary schools have already been allocated $19 million to build new multipurpose halls and libraries, while the remaining local primary school upgrades will be announced in future rounds. Twenty-three new social houses, dealing with the very great scourge of homelessness, will be built locally and 36 dwellings are undergoing repairs and maintenance in our community. Three local councils, Hobart, Glenorchy and Kingborough, have received a total of $1.2 million to build local infrastructure.

Very large investments in our future in science have also been made. In research infrastructure, there is more than $52 million for the Integrated Marine Observing System hosted by the University of Tasmania; $45 million for the university’s Institute for Marine and Antarctic Studies; and more than $44 million for stage 2 of the Menzies centre development. That is $168 million in direct stimulus infrastructure funding so far. In addition, the surrounding region has benefited from $164 million in federal government support for the Brighton bypass currently under construction and for the Kingston bypass. We are also getting large expenditure of $120 million for the replacement of the Southern Surveyor, the vessel that the CSIRO operates—making Hobart the centre of Antarctic and Southern Ocean science in Australia—with $29 million committed to Australia’s Marine National Facility to maintain the operations of the vessel pending its replacement. Small businesses and the all the community benefit—

The DEPUTY SPEAKER (Ms AE Burke)—I hate to interrupt the member, but it being 12.30—there is one final thing you want to put on the record?

Mr KERR—I acknowledged before that this speech would have to be interrupted, Madam Deputy Speaker. I just want to say that I will return to those larger issues about Australia’s responsibilities in the Pacific, but I thought it was important to also acknowledge on the record the contribution the budget has made to my own electorate because such important expenditures in the interests of the people of Hobart and they have failed to be properly acknowledged.

Debate interrupted.
ADJOURNMENT

Ms GRIERSON (Newcastle) (12.31 pm)—I move:

That the Main Committee do now adjourn.

Hawkesbury-Nepean River

Mrs MARKUS (Greenway) (12.31 pm)—I was pleasantly surprised when federal funding of $77.4 million from the Water for the Future program was given to the New South Wales government in a funding package to help restore the health of the Hawkesbury-Nepean River in Western Sydney. I have strongly advocated for some time that the Hawkesbury-Nepean River needed help. As recently as February this year, I called on the government to ensure that in the next budget they included funding specifically for recovery programs for the river. The budget was announced, but in the six programs packaged under the Water for the Future program none mentioned the Hawkesbury-Nepean; none mentioned river recovery programs. So you can imagine my surprise when, eight days after the budget, press releases hit my desk announcing the $77 million recovery package for the Hawkesbury-Nepean. I am delighted that the Hawkesbury-Nepean will at last get some real help.

In February this year, the shadow minister for water, Greg Hunt, and I toured the river to see firsthand the work that had been done at a local level to clean up many of the problems. On that day we announced a vision for the year 2020—a long-term plan including consultation with the community and a comprehensive plan of action. The goal is for the river to be of the best quality of any semi-urban river in Australia. I said then that we have to have a permanent weed eradication program, we have to increase environmental flows and we have to improve nutrient control. I am pleased to see, in the announcement, that all those matters are being addressed.

The $77.4 million is part of a bigger package that will see $5.1 million from the New South Wales government and Hawkesbury City Council, along with further contributions of $14.2 million from landholders—a significant and ambitious funding program. But how real will it be; how much of that funding will make its way to the seven projects attached to the package? The federal Labor government has handed over $77.4 million, money that was not identified in the budget, to the New South Wales government to manage. We all know what a basket case the New South Wales government is when it comes to economic management—very similar to their federal colleagues, who in a very short time have not only spent the surplus left by the coalition but also recklessly plunged this nation into levels of debt and deficit unprecedented in the history of this nation. Two-thirds of the debt that will be owed by taxpayers in 2012-13 is due to new spending decisions taken by the Rudd government over the past 18 months, since November 2007.

I question how $14.2 million is going to be raised from landholders. Will this be through voluntary contributions? That would be very hard, given the heavy burden of paying back the Rudd government’s $300 billion debt—or is it a $315 billion debt? Maybe the New South Wales state government will impose a levy. I am sure that landowners will not be happy if that burden is placed on them, given New South Wales is already Australia’s most expensive state in which to live.

What about the $5.1 million from the New South Wales government? I hope that is forthcoming. The New South Wales government is slashing jobs on railway stations and it has
failed to pay hospital accounts so the doctors and nurses have had to purchase their own supplies and they have even closed parts of the members dining room in Parliament House. Where are they going to raise $5.1 million? I just hope that this funding package is not conditional on the in-kind and complementary funding from the New South Wales government and other contributors. The river deserves secure long-term funding to ensure the important work of recovery, nutrient control, water quality and river flow is a continuous program of river care.

We also need transparency and accountability about the use of federal funding when it goes to the cash-strapped states. I note that program partnerships include the New South Wales Department of Water and Energy, Sydney Water, the New South Wales Department of Primary Industries, Hawkesbury Council and the Hawkesbury-Nepean Catchment Management Authority. I said earlier that the announced plan was significant and ambitious. Reading through the proposed programs I note that included in the funding package is a water treatment plant to be constructed at the existing South Windsor sewerage treatment plant. How much of the $7.4 million will go to that plant? How much will be left across the other six programs? It is one thing to make an announcement but quite another to provide delivery. People need to watch what Labor do, and I will be watching closely.

In closing, our environment and our river are too important to play politics with. I only hope that the funding is real and actually results in delivery and action. I hope the programs go ahead and the Hawkesbury-Nepean River is restored to a more sustainable level. As the member for Greenway, based out in the Hawkesbury, I will continue to advocate for a healthier river and will be closely watching for when and how these programs—(Time expired)

Blair Electorate

Mr NEUMANN (Blair) (12.36 pm)—In terms of population, my electorate of Blair in South-East Queensland is made up of 70 per cent in Ipswich, eight per cent in the Fassifern Valley and 22 per cent in the Lockyer Valley. This morning in a three-minute speech I talked about what the Rudd government is doing locally in the Fassifern Valley and I am happy to talk about what the Rudd government is doing locally in the Lockyer Valley.

For many years both the Fassifern Valley and the Lockyer Valley were represented by conservative federal representatives and it is quite clear that when it comes to road and school infrastructure in both areas they have been neglected—simply taken for granted—by representatives at the state level, who were National Party, and at the federal level, who were Liberal Party.

The local Lockyer Valley is an amalgamation of the Gatton Shire Council and the Lockyer Valley Council. This year the Lockyer Valley Regional Council, which is the new council, will receive $2.7 million in financial assistance grants and can expect to receive a similar amount next year. Also, the Lockyer Valley Council has received $661,000 as part of our Community Infrastructure Program to undertake upgrades and programs across the whole of the Lockyer Valley from Withcott in the west through to Laidley in the east. There are 12 upgrade projects, including the upgrade of playground equipment at the Apex park in Gatton. There are also other amenity and park upgrades thanks simply to federal government funding. There are so many projects across the Locker Valley that are receiving federal government funding, which was sorely needed in the circumstances and neglected under the previous Howard coalition government when the area was represented by a conservative member.
The federal government has approved so much money in the Lockyer Valley that it is a credit to the Rudd government. Not only that, the Lockyer Valley looks to Ipswich in terms of health services, work, recreation and sporting facilities so the Lockyer Valley will benefit from the Better Regions funding that we are doing in Ipswich itself with the Ipswich CBD redevelopment costing $10 million, the refurbishment of the Ipswich Basketball Association costing $660,000 and the George Alder Tennis Centre in Ipswich costing $575,000. It has 12 clay courts making it the premier clay court facility in Queensland as a result of what is being done.

Road funding in the Lockyer Valley will benefit as well. And the farmers in the Lockyer Valley and the people in the rural communities in the Lockyer Valley will benefit enormously from the Rudd government’s commitment to the Ipswich Motorway upgrade—$884 million in this budget. And across the whole project there is a $2.5 billion commitment to the Ipswich Motorway upgrade, which will upgrade it to six lanes with services roads down the side. It was sorely neglected by the Howard coalition government, who refused to undertake the work. That project is supporting up to 4,000 jobs. It is a great example of the Rudd government’s commitment to nation building for recovery, supporting local jobs in the Ipswich and West Moreton corridor and also in the Lockyer Valley.

We are also building 133 defence homes in the Ipswich and West Moreton area, which will also assist tradespeople and other workers in the Lockyer Valley. We are putting $60 million into the RAAF base at Amberley. Many people who go to work on the RAAF base at Amberley and the aerospace precinct there come and live in the Lockyer Valley, particularly areas like Glenore Grove and Hatton Vale. It is not just the Ipswich Motorway upgrade; we have also put $880,000 into the Minden Crossing, an area in the federal election of Dickson. When you travel between Ipswich and Toowoomba you actually leave my electorate at about Minden and come back in at about Laidley. We are fixing an area in the federal electorate of Dickson which was not fixed by the federal member for Dickson. We are also putting $2 million into black spot funding to improve the state of the Warrego Highway. Again, the Warrego Highway was neglected under the Howard coalition government. There is also $8 million going into the Warrego Highway from Ipswich West to fix up the road, improve the servicing and improve the connections. These areas are important for farmers and farming communities in the Lockyer Valley. It is a tragedy that these upgrades, these improvements to the Warrego Highway, were not done by the Howard coalition government when represented locally by one of its members.

The reality is that the Lockyer Valley is supported enormously by the Rudd government. We are committing huge amounts of money not just to Building the Education Revolution but to road funding in the local area and it is a credit to the Rudd government. I intend to fight hard for the rural communities in the Lockyer Valley for further funding in the future.

Fisher Electorate: Local Shows

Mr SLIPPER (Fisher) (12.41 pm)—Each year, like other members representing regional areas, I enjoy attending local shows in the electorate. We are currently in the middle of the local show season. The Kilcoy show this year was held on 17 and 18 April followed by the Maleny show last weekend, on 29 and 30 May, and this coming weekend we have the Caboolture show. It is not always possible for me to get to all of these shows but certainly I enjoy going along, because I am encouraged by the wonderful and energetic people who volunteer

MAIN COMMITTEE
their time to assist and make the effort to ensure that the event is as successful as possible. Of course, I refer to people like the marshals for the arena events and the wood chopping through to the volunteers who help out at the show society, to the cake and coffee servery and meal stalls, as well as those who organise the various displays for cooking, including cakes and biscuits, embroidery, flower displays, bird breeding and student artwork. Every year the Rotarians from the Rotary Club at Maleny look after the gate.

This year the Maleny show was honoured by the presence of Her Excellency the Governor of Queensland, Penny Wensley AC, who officially opened the event. I first got to know the now governor when she was a distinguished Australian diplomat. The show usually experiences interesting weather. Maleny is one of those districts that have a very heavy rainfall. While the weather this year was better than last year, which saw torrential rain and wind and caused many events and attractions to close down early, this year a half-hour period of heavy rain arrived just when Her Excellency was delivering her opening address. Maybe we should send Her Excellency to drought stricken areas of Australia.

However, despite the rain, Her Excellency persevered in a performance and display of opening the show which was both admirable and impressive. After the opening ceremony guests were invited to afternoon tea. This involved a short walk across the arena through a sodden paddock across a muddy driveway. Again Her Excellency dealt with all of this with a characteristically positive attitude and a smile on her face. I would like to thank Her Excellency the Governor of Queensland for attending the show and to say on behalf of the local community how much they appreciated her presence and her wonderful demeanour. She is a person who has won many friends and great respect. I also had the opportunity of speaking with her husband, Stuart, who hails from the Sunshine Coast hinterland and that was also an enjoyable and informative experience.

As I mentioned before, the Caboolture Show is being held this weekend over the days of 5, 6 and 7 June. I look forward to attending it with my wife and enjoying what is always a successful and well-attended annual event for local residents. I have also had the opportunity recently to attend a number of community events in my electorate, like other honourable members in their own electorates. These included the Fisher Seniors Forum, which was organised by the Fisher Seniors Council and my office. The seniors forum attracted almost 300 guests this year, the ninth year of the event, and also had some 25 exhibits from community organisations and service providers who specialise in providing goods and services for seniors. It was great to see so many people who are dedicated to seniors and the community making the effort to be involved in the Fisher Seniors Forum. I greatly appreciate their assistance as to this event. This year the special guest speakers were Dr Barry Ritchie, the head of the Retirement Research Group of the Association for Independent Retirees, who pointed out the fraudulent nature of the government’s so-called increases for pensioners; and Mr Gary Hopkins, a local solicitor in issues that affect seniors such as retirement villages, enduring powers of attorney, wills and so on. I would like to thank them for their involvement and for giving their time to pass on important and valuable information to the many guests. I would like to publicly recognise once again the efforts of the members of the Fisher Seniors Council—Helen Sava, Jack Backer, David Bywaters, June Conolly, Frank Gower, John Henderson, Robyn Marshall, Colin Wade, Mrs B Williams and the honorary life member, Maureen Kingston AM, who was there when the Fisher Seniors Council was set up so many years ago.
Ms SAFFIN (Page) (12.46 pm)—Landcare Australia is celebrating its 20th birthday and I will use my speaking opportunity to celebrate Landcare in this place. Landcare Australia is calling for people and organisations across Australia—including the Northern Rivers, my neck of the woods, in my seat of Page—to enter for national awards, of which there are 12 categories. I have some wonderful Landcare groups in Page who would be worthy entrants, from the coast areas to our forested, farming and river areas. I actually have 21 per cent of all New South Wales Landcare groups, second only to the Hunter, which has 22. Landcare does important work, including in the Upper Clarence area, ridding our banks of cat’s claw, a real localised and dreadful problem. Landcare has done important work in facilitating the way in which the community sees their role in addressing land issues by working cooperatively in communities across valleys, in catchment areas, along river banks and in river areas, working hand in glove with local farmers, landholders, catchment management authorities, local, state and federal authorities and governments, and environmentalists.

I was around and involved when Landcare started. It is one of what I call the great three care programs of the then federal Australian Labor Party: Medicare, Homecare and Landcare; care for health, care for home and care for heartland. It is the care trifecta, as I see it. So you see I love Landcare and am very protective of it. We the community own it and drive it with some strategic support from the government, and it is to that support that I want to turn. Some of my local groups include Worli, West of the Ranges Landcare Inc, chaired by a local, Jo McDonald, with whom I meet and talk regularly. Going over to the coast there are Ballina High School Landcare, Alstonville Creek Inc, Vistara Primary School in Lismore, Coraki Landcare, Casino Public School Landcare, Old Cobb Road Kyogle, Grafton Ngarrie Local Aboriginal Land Council and—down to the most southern part of my electorate—Tyringham Farmer Landcare. That is a bit of a snapshot of some of the many wonderful groups. Amongst these groups some farmers were worried needlessly, but understandably, that the word, Landcare, was going to be lost, subsumed by Caring for Our Country. I rang the Minister for Agriculture, Fisheries and Forestry and told him what my local farmers were saying and he said, ‘You tell them loudly and publicly Landcare is here to stay.’ I did just that, as I am wont to do as I do not hold back, and they were satisfied and assured.

Some local groups also expressed some concern to me that they might miss out on government support, that they may lose their coordinators and that small local groups may be unable to do their important community coordination and facilitation roles—or brokering roles, as I call them. The latter two roles, the facilitation and brokering, are hallmarks of Landcare. Local groups have been talking to me about possible changes. I have discussed all of this with the Minister for Agriculture, Fisheries and Forestry and promoted support for community coordinators or facilitators so that my local groups could continue their terrific Landcare work and or will there be enough flexibility within the guidelines of Caring for our Country, or in their interpretation, to allow for emerging and particular priorities in local areas, such as the cat’s claw in my area. It is not marked as a hot spot, thus worrying local Landcare groups that they might not get a look-in.

I am very, very encouraged with Minister Burke’s response to date and his keen interest in responding to some of the ideas and concerns of my local Landcare groups. He has really listened and engaged on this, and I can report that some work is underway to find solutions to
some of these very local issues. I ask through this place, and I have of course asked the minister directly, if he will make a public announcement as soon as possible which responds to these local Landcare issues and gives succour to them and to my local groups in Page.

**Youth Allowance**

Ms MARINO (Forrest) (12.51 pm)—I rise once again to raise the issue of the Labor government’s budget decision to change the youth allowance and the disproportionate impact this will have on regional students, particularly the students in my electorate in the south-west of Western Australia. My office has been inundated with calls and emails from desperate and worried students and their parents. I continue to receive these on a daily basis. The changes of the Minister for Education, due to take effect in January 2010, seriously discriminate against regional students currently in their gap year who have no alternative but to move to a capital city like Perth for their tertiary education. I meet these great young people all the time. They are motivated, with great careers ahead of them, and are working part time to help fund their own education. These are students who have taken a year off from starting their university study to work to qualify for the independent youth allowance and who are currently in the process of earning the required $19,000 under the existing rules. In most instances, both their own plans for study and their family’s plans are seriously compromised.

These students will now have to work virtually full time for two years before they qualify for youth allowance. In some instances, this will deny some of my south-west students a university education. For many of my students, it is the youth allowance that is the difference between being able to study at a university in Perth and not being able to study at university at all to achieve their career goals.

The Commonwealth accommodation scholarships of $4,500 each year assisted students to meet just some of the significant additional costs of living away from home. The substituted relocation allowance of $4,000 for the first year and $1,000 for the subsequent three years ignores the ongoing additional costs of living away from home. Students in my electorate have no choice but to live away from home. The majority of courses are available only at universities in Perth. Perth is anything from a 2½- to four-hour drive each way for those students. They do not have the option of a daily bus fare from a metropolitan suburb to university like their city counterparts do.

I know from correspondence that the students and parents in my electorate were equally as disappointed as I was when the Minister for Education, answering a question in the House of Representatives on this issue, either did not understand what this change actually meant to regional gap year students or, worse, simply did not care what her Labor government did to my regional and rural students. Unfortunately, this lack of understanding and concern was clearly evident in the minister’s dismissive response, which, I must say, had a devastating impact on both the parents and the students.

From January 2010, to qualify for youth allowance, students have to work for 18 months for 30 hours a week—that is, two-thirds of a full-time job. How many regional students will be able to access a university education when one year is the majority university deferral period and very few courses offer a midyear intake? And how many 30-hour a week jobs are there in small regional towns and rural areas for school leavers? What we will see is fewer regional students attending university and, for those who are able to do so, a far greater sacri-
My eldest daughter is currently doing a gap year before she starts university. She can only do the course … in Perth to become a secondary Maths teacher. We live in Donnybrook … so we have already found her accommodation … at a cost of $12,500 plus. We were relying on her being able to qualify for Youth Allowance after working for this year and earning the required $19,000 … As she has already deferred for one year it is impossible for her to defer for another year to qualify under the … new rules … To compound our dilemma our second daughter is in her final year at Bunbury Catholic College and was also planning on taking a gap year to qualify … I believe these proposed changes have not taken into consideration the financial hardship it is for country parents to send — [their] children to Uni away from home.

I have a whole file full of these emails. One parent asked me whether the government is further discriminating against those who will go on to become future doctors, lawyers and vets by lowering the age from 25 to 22 years. Where is the equity of opportunity in tertiary education for students from Forrest? This is a clear example of how young people in my electorate are already paying for the Labor government’s reckless spending—funding sources that could have been used to retain support for regional students.

**Forde Electorate: Beenleigh Community Events**

Mr RAGUSE (Forde) (12.56 pm)—I rise today to speak about the great community events held last weekend in the Beenleigh area. The Beenleigh Rum Distillery no longer operates from the banks of the Albert River but sugar cane remains ingrained in the Beenleigh community. Despite urban development pressures, cane is still grown in the Alberton, Woomgoolba and Jacobs Well area, a short drive from Beenleigh. The 46th annual Beenleigh Cane Festival of the Rotary Club of Beenleigh was held last weekend. There are two main parts to the festival: the parade and markets during the day and the charity ball at night. The parade through the centre of Beenleigh attracts thousands of spectators who watch more than 60 parade entrants. There are too many to mention here today. The diversity of the displays is demonstrated by the range of the 12 parade entrant winners. They are the Heck Group, the Logan City Access Group, Serranos Mexican Cantina, Ken and Shirley Meggs, Beenleigh PCYC, Beenleigh Rugby League Club, Woongoolba State School, Soroptimist International of Beenleigh, Biosecurity Queensland Fire Ant Eradication, Reimax Town and Country, the 14th Beenleigh Light Horse Troop and the Beenleigh State School.

The festival concludes with the announcement of the cane and charity queens at the charity ball. The main purpose of these contests is to raise funds for our local charities. I congratulate the three dedicated young women who chose to partake in the Cane Queen competition for 2009: crowned Cane Queen and Charity Queen runner-up Brooke Tyson of Daisy Hill, crowned Charity Queen Krystal Oppermann of Ormeau and Amy Lewis of Belivah. Together, they raised over $22,000 for the community. The ongoing success of the Beenleigh Cane Festival is a testament to the strong, vibrant and dedicated Beenleigh community.

I would like to briefly mention a handful of the hundreds of individuals, businesses and charities that make the Beenleigh Cane Festival a success year after year. Local business supporters who make the day happen include the Albert & Logan News, who provides advertising space; the Beenleigh Bowls Club, who provides facilities and gifts; Hatton Garden Jewellers,
who provides gifts and jewellery for the contestants; de Bortoli wines; Bendigo Bank; Beenleigh Girl Guides, who provide the afternoon tea; Music Cavern; and the irrepressible Noel Camilleri, who ensures that we have the sound technology. Government supporters include the Logan City Council, which provides funds; and local representatives and state members, Margaret Keech, Evan Moorhead and Councillor Ray Hackwood, who also provide gifts and sponsorship for the awards. Local community supporters include Greg Sems, who ensures that plenty of cane is present on the day, and Bill and Pat Heck, whose family always supports the parade. The Heck family have nearly 150 years of history in that region. There are many organisations and people who assist individual candidates year after year, including the Beenleigh Sports Club, Beenleigh PCYC and the Voluntary Marine Rescue at Jacob’s Well. Most of all, I must give credit to the Rotary Club of Beenleigh, to President Di Crawford and her husband, John Crawford, the Rotary members and their partners and friends, who bring hundreds of involved parties together to turn the cane festival into a great day that we all enjoy.

Just five minutes up the road from Beenleigh is Canterbury College. Canterbury College is one of a number of quality schools in the electorate of Forde. On Sunday I had the pleasure of attending The Wiz, which is a contemporary musical based on the story The Wizard of Oz. It was performed in the Logan Entertainment Centre over a period of days from 28 to 31 May. I acknowledge and congratulate the artistic director, Lissa Gyte, and the music teacher and school music director, Susan Goochee, who also had proven international success in the directorship of the Cantabile Choir in Europe last year. I congratulate the cast and crew, who performed brilliantly. Congratulations also to Donna Anderson, who is the college head. Her school and students are a credit to our community.

The Canterbury College music program is one that I have not seen anywhere else in this country. The college took a number of young girls to Vienna, I think, to perform against hundreds of other choirs, and they won the title of world champion choir. It is wonderful not only for my region of Forde but also for Australia to have a group such as the school’s Cantabile Choir.

I should say, as a little advert, that later this year the Canterbury College Cantabile Choir will perform a major concert in Brisbane, and they have asked me to sing a piece in front. That will be very interesting. It is certainly an opportunity for me. This was an offer by the school for me to be part of that concert, and I certainly appreciate their interest in my musical ability. We will see how that event turns out. Can I say in all seriousness that Canterbury College is a great school and it has a great choir. It is a testament to what this school does and to the quality of education that it delivers.

Question agreed to.

Main Committee adjourned at 1.01 pm
Franchising  
(Question No. 624)

Mr Ciobo asked the Minister for Small Business, Independent Contractors and the Service Economy, in writing, on 26 February 2009:

What advice has he sought on the recommendations provided in the report *Opportunity not opportunism: improving conduct in Australian franchising* tabled by the Parliamentary Joint Committee on Corporations and Financial Services on 1 December 2008.

Dr Emerson—The answer to the honourable member’s question is as follows:

The Government is considering the findings of the Joint Committee’s Report and will respond in due course.

A number of the Joint Committee’s recommendations have implications that relate to the policy responsibilities of other Australian Government Ministers. The Department of Innovation, Industry, Science and Research which advises me on franchising policy matters is consulting closely with officials of relevant portfolios and will consult with industry as necessary so as to fully inform the Government’s consideration of the issues raised in the Joint Committee’s report.