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SITTING DAYS—2009

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FORTY-SECOND PARLIAMENT
FIRST SESSION—FIFTH PERIOD

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

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

Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Patrick Damien Secker MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

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

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

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

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Members of the House of Representatives

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<th>Members</th>
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<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
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<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals; Ind—Independent

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

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<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<td>Senator Hon. Chris Evans</td>
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<td>Minister for Defence and Vice President of the Executive Council</td>
<td>Senator Hon. John Faulkner</td>
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<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<td>Minister for Foreign Affairs and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Hon. Nicola Roxon MP</td>
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<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Hon. Lindsay Tanner MP</td>
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<td>Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<td>Minister for Climate Change and Water</td>
<td>Senator Hon. Penny Wong</td>
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<td>Minister for the Environment, Heritage and the Arts</td>
<td>Hon. Peter Garrett AM, MP</td>
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<td>Attorney-General</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Hon. Tony Burke MP</td>
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<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services</td>
<td>Hon. Chris Bowen, MP</td>
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*The above ministers constitute the cabinet*
UFFER MINISTRY—continued

Minister for Veterans’ Affairs Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women Hon. Tanya Plibersek MP
Minister for Home Affairs Hon. Brendan O’Connor MP
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs Hon. Dr Craig Emerson MP
Assistant Treasurer Senator Hon. Nick Sherry
Minister for Ageing Hon. Justine Elliot MP
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport Hon. Kate Ellis MP
Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change Hon. Greg Combet AM, MP
Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery Senator Hon. Mark Arbib
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government Hon. Maxine McKew MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Western and Northern Australia Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs Hon. Duncan Kerr SC, MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion Senator Hon. Ursula Stephens
Parliamentary Secretary for Multicultural Affairs and Settlement Services Hon. Laurie Ferguson MP
Parliamentary Secretary for Employment Hon. Jason Clare MP
Parliamentary Secretary for Health Hon. Mark Butler MP
Parliamentary Secretary for Industry and Innovation Hon. Richard Marles MP
SHADOW MINISTRY

Leader of the Opposition           The Hon. Malcolm Turnbull MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition       The Hon. Julie Bishop MP
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals   The Hon. Warren Truss MP
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate    Senator the Hon. Nick Minchin
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate    Senator the Hon. Eric Abetz
Shadow Treasurer                        The Hon. Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House    The Hon. Christopher Pyne MP
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design    The Hon. Andrew Robb AO, MP
Shadow Minister for Finance, Competition Policy and Deregulation      Senator the Hon. Helen Coonan
Shadow Minister for Human Services and Deputy Leader of The Nationals         Senator the Hon. Nigel Scullion
Shadow Minister for Energy and Resources                                   The Hon. Ian Macfarlane MP
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs   The Hon. Tony Abbott MP
Shadow Special Minister of State and Shadow Cabinet Secretary               Senator the Hon. Michael Ronaldson
Shadow Minister for Climate Change, Environment and Water            The Hon. Greg Hunt MP
Shadow Minister for Health and Ageing                                      The Hon. Peter Dutton MP
Shadow Minister for Defence                                                   Senator the Hon. David Johnston
Shadow Attorney-General                                                    Senator the Hon. George Brandis SC
Shadow Minister for Agriculture, Fisheries and Forestry                  The Hon. John Cobb MP
Shadow Minister for Employment and Workplace Relations                   Mr Michael Keenan MP
Shadow Minister for Immigration and Citizenship                          The Hon. Dr Sharman Stone
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts  Mr Steven Ciobo

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

Shadow Minister for Financial Services, Superannuation and Corporate Law  The Hon. Chris Pearce MP
Shadow Assistant Treasurer  The Hon. Tony Smith MP
Shadow Minister for Sustainable Development and Cities  The Hon. Bruce Billson MP
Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House  Mr Luke Hartsuyker MP
Shadow Minister for Housing and Local Government  Mr Scott Morrison
Shadow Minister for Ageing  Mrs Margaret May MP
Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence  The Hon. Bob Baldwin MP
Shadow Minister for Veterans’ Affairs  Mrs Louise Markus MP
Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth  Mrs Sophie Mirabella MP
Shadow Minister for Justice and Customs  The Hon. Sussan Ley MP
Shadow Minister for Employment Participation, Training and Sport  Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Northern Australia  Senator the Hon. Ian Macdonald
Shadow Parliamentary Secretary for Roads and Transport  Mr Don Randall MP
Shadow Parliamentary Secretary for Regional Development  Mr John Forrest MP
Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs  Senator Marise Payne
Shadow Parliamentary Secretary for Energy and Resources  Mr Barry Haase MP
Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector  Senator Mitch Fifield
Shadow Parliamentary Secretary for Water Resources and Conservation  Mr Mark Coulton MP
Shadow Parliamentary Secretary for Health Administration  Senator Mathias Cormann
Shadow Parliamentary Secretary for Defence  The Hon. Peter Lindsay MP
Shadow Parliamentary Secretary for Education  Senator the Hon. Brett Mason
Shadow Parliamentary Secretary for Justice and Public Security  Mr Jason Wood MP
Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry  Senator the Hon. Richard Colbeck
Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate  Senator Concetta Fierravanti-Wells
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Wednesday, 17 June 2009

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

BUSINESS

Consideration of Private Members’ Business

Report

Mr PRICE (Chifley) (9.01 am)—I present the report of the recommendations of the whips relating to committee and delegation reports and private members’ business on Monday, 22 June 2009. Copies of the report have been placed on the table.

The report read as follows—

Pursuant to standing order 41A, the Whips recommend the following items of committee and delegation reports and private Members’ business for Monday, 22 June 2009. The order of precedence and allotments of time for items in the Main Committee and Chamber are as follows:

Items recommended for Main Committee (6.55 to 8.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 MS SAFFIN: To move:

That the House:

(1) notes:

(a) that 27 May is the 19th anniversary of the National League for Democracy’s (NLD) overwhelming election victory in Burma’s first democratically held elections in many decades; and
(b) that the NLD is led by General Secretary and Nobel Peace Laureate Daw Aung San Suu Kyi, Burma’s highly regarded and respected political leader, both in her own country and internationally;

(2) condemns the State Peace and Development Council led by General Than Shwe, for not honouring the 1990 election, which violates both domestic and international law and norms;

(3) notes with deep concern that Daw Aung San Suu Kyi and U Tin Oo were detained, following an assassination attempt on their lives on 30 May 2003, being charged under the Orwellian sounding law, The Law to Safeguard the State Against the Dangers of Those Desiring to Cause Subversive Acts 1975, also called the State Protection Act, and that their sentences have both been increased, extra legally;

(4) condemns:

(a) General Than Shwe for the above incident and the continued unlawful incarceration, which the United Nations Working Group on Arbitrary Detention has issued Opinions finding in both cases that the deprivation of their liberty is arbitrary, inter alia; and
(b) General Than Shwe’s actions for orchestrating the current trumped up charges, against Daw Aung San Suu Kyi, and her companions Daw Khin Khin Win and Daw Win Ma Ma;

(5) calls upon General Than Shwe to:

(a) immediately and unconditionally release political prisoner Daw Aung San Suu Kyi, her companions Daw Khin Khin Win and Daw Win Ma Ma and her fellow political prisoners, including NLD Executive Members U Tin Oo and U Win Htein, and Shan Nationalities League for Democracy Leader Hkun Htun Oo, and up to the 2,000 others reported, according to Amnesty International; and
(b) do the right thing and enter into talks with all parties so that the national reconciliation that has evaded Burma’s people, including the large population of Ethnic Nationalities, can begin to take place; and

(6) notes:

(a) the statement issued by the Association of Southeast Asian Nations (ASEAN) chairman stating inter alia that ‘with the eyes of the international community on Burma at the present, the honour and credibility of the Burmese regime were
at stake’, and further expressing grave concern over the treatment of Daw Aung San Suu Kyi, and expressing support for ASEAN nations including Indonesia, Malaysia and The Philippines who have spoken out on this matter;

(b) that the Secretary General said inter alia that he ‘...believes that Daw Aung San Suu Kyi is an essential partner for dialogue in Myanmar’s national reconciliation and calls on the Government not to take any further action that could undermine this important process...’;

(c) the press statement issued on 22 May 2009 by the Security Council with its President for the month of May, Ambassador Vitaly Churkin of Russia, stating: ‘The members of the Security Council express their concern about the political impact of recent developments relating to Daw Aung San Suu Kyi.’ and ‘The members of the Security Council reiterate the need for the Government of Myanmar [Burma] to create the necessary conditions for a genuine dialogue with Daw Aung San Suu Kyi and all concerned parties and ethnic groups in order to achieve an inclusive national reconciliation with the support of the United Nations.’, and which reaffirms the sentiments of two previous statements issued by the Security Council in 2007 and 2008; and

(d) the Australian Government’s condemnation of Daw Aung San Suu Kyi’s detention, and its calls for her immediate release, as well as the Australian Government’s financial sanctions targeting senior members of the regime, their immediate families and associates.

Time allotted—35 minutes.

Speech time limits—
Ms Saffin—5 minutes.
First Opposition Member speaking—5 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 7 x 5 mins]
The Whips recommend that consideration of this should continue on a future day.

2 MR SLIPPER: To move:
That the House:

(1) notes that:

(a) 4 June 2009 was the 20th anniversary of the first post war free elections in Poland, and that these elections marked the end of undemocratic communist party rule in Poland; and

(b) the example of free election in Poland led to the overthrow of all the communist regimes of central and eastern Europe, to the fall of the Berlin Wall and the reunification of Germany, and eventually also to the dissolution of the Soviet Union;

(2) congratulates the people of Poland for their unbroken record of struggle over more than 60 years against both Nazi and Communist occupiers to regain their independence and restore democracy and freedom; and

(3) notes that the restoration of democracy and a free market economy has led to the increasing security, prosperity and freedom which Poland has enjoyed since 1989, culminating in membership of the North Atlantic Treaty Organization and European Union.

Time allotted—20 minutes.

Speech time limits—
Mr Slipper—5 minutes.
First Government Member speaking—5 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]
The Whips recommend that consideration of this should continue on a future day.

3 MR DANBY: To move:
That the House:

(1) notes:

(a) the Commonwealth of Australia and the Republic of Turkey have established a
unique relationship and bond based upon the sacrifices of young men from both nations and that this uniqueness at the core of deep rooted relations between the two countries gained even more momentum by the unforgettable reconciliatory remarks of the Founder of the Modern Turkish Republic Mustafa Kemal Ataturk to the mothers of fallen Anzacs: “…You, the mothers, who sent their sons from far away countries wipe away your tears; your sons are now lying in our bosom and are in peace. After having lost their lives on this land they have become our sons as well.”; and

(b) that the Turkish nation is now a friendly power and members of the Turkish community have now successfully integrated into Australian society;

(2) celebrates and commends the achievements and contributions of the Turkish community here in the Commonwealth of Australia in the 42 years since their arrival;

(3) acknowledges the unique relationship that exists between Australia and Turkey, a bond highlighted by both nations’ commitment to the rights and liberties of our citizens and the pursuit of a just world, highlighted by the statement of Ataturk “Peace at Home, Peace in the World”;

(4) commends the Republic of Turkey’s commitment to the shared values of democracy, the rule of law and secularism; and

(5) on the 42nd anniversary of the Formal Agreement between the Government of the Commonwealth of Australia and the Government of the Republic of Turkey concerning the Residence and Employment of Turkish Citizens in Australia, pledges our friendship, commitment and enduring support to the people of Turkey as we celebrate this important occasion together.

Time allotted—20 minutes.

Speech time limits—

Mr Danby—5 minutes.

First Opposition Member speaking—5 minutes.
Items recommended for House of Representatives Chamber (8.40 to 9.30 pm)

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

1 PARLIAMENTARY JOINT COMMITTEE ON THE AUSTRALIAN CRIME COMMISSION

The Whips recommend that statements on the report may be made—all statements to conclude by 8.50 pm

Speech time limits—
Mr Hayes —5 minutes
Opposition Member —5 minutes

[Minimum number of proposed Members speaking =2 x 5 mins]

2 JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

The Whips recommend that statements on the report may be made—statement to conclude by 9 pm

Speech time limits—
Mr Melham (Chair)—5 minutes
Opposition Member —5 minutes

[Minimum number of proposed Members speaking =2 x 5 mins]

3 STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT
Level Crossing Safety: An Update to the 2004 Train Illumination Report.

The Whips recommend that statements on the report may be made—all statements to conclude by 9.10 pm

Speech time limits—
Ms King (Chair)—5 minutes
Opposition Member —5 minutes

[Minimum number of proposed Members speaking =2 x 5 mins]

4 JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

The Whips recommend that statements on the report may be made—all statements to conclude by 9.15 pm

Speech time limits—
Ms Grierson(Chair)—5 minutes

[Minimum number of proposed Members speaking =1 x 5 mins]

5 AUSTRALIAN PARLIAMENTARY DELEGATION TO COLOMBIA AND ARGENTINA

The Whips recommend that statements on the report may be made—all statements to conclude by 9.20 pm

Speech time limits—
Mr Randall (Deputy Leader)—5 minutes

[Minimum number of proposed Members speaking =1 x 5 mins]

PRIVATE MEMBERS’ BUSINESS
Notices

1 MR KATTER: To present a bill for an act to amend the Trade Practices Act 1974.

Presenter may speak for a period not exceeding 5 minutes (9.20 pm-9.25 pm)—pursuant to standing order 41.

2 MR KATTER: To present a bill for an act to amend the Quarantine Proclamation 1998.

Presenter may speak for a period not exceeding 5 minutes (9.25 pm-9.30 pm)—pursuant to standing order 41

Report adopted.
BUILDING AND CONSTRUCTION INDUSTRY IMPROVEMENT AMENDMENT (TRANSITION TO FAIR WORK) BILL 2009

First Reading

Bill and explanatory memorandum presented by Ms Gillard.

Bill read a first time.

Second Reading

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (9.02 am)—I move:

That this bill be now read a second time.

Introduction

The building and construction industry is a critical sector of our economy with immediate and direct impacts on jobs, growth and productivity. Its importance is demonstrated by the scale and scope of construction funding the Australian government has committed through the Nation Building and Jobs Plan which will result in 35,000 construction sites around the country, building the infrastructure we need for tomorrow and supporting jobs today. This construction activity is the direct result of the government’s $29.9 billion investment in schools, housing, energy efficiency, community infrastructure, roads and support to small businesses.

As our budget set out, a central feature of our economic recovery plans is our Nation Building for the Future package, which builds on our earlier economic stimulus plans and delivers:

- $8.4 billion in new road, rail and ports infrastructure;
- $4.7 billion for the National Broadband Network;
- $3.1 billion for new hospitals and medical facilities;
- $2.6 billion for education infrastructure; and
- $3.5 billion for clean energy developments.

A total additional spend of over $22 billion to see the nation through the current global recession to a stronger future by boosting our long-term productive capacity through investing in skills, education and human capital.

While we can design these nation-building initiatives, our capacity to deliver on them is dependent on having a safe, productive and harmonious construction sector.

Prior to the 2007 election, the Labor Party promised that it would retain the Office of the Australian Building and Construction Commissioner (the ABCC) until 31 January 2010, when it would be replaced by a specialist Fair Work inspectorate.

Labor also committed to consult extensively with industry stakeholders to ensure the transition to the new arrangements would be orderly and effective. On this basis, in June 2008 I appointed the Hon. Justice Murray Wilcox QC, a retired Federal Court judge, to consult and report on matters related to the creation of the specialist Fair Work inspectorate. Mr Wilcox provided his report in March this year having consulted very widely via face-to-face meetings around the country, by receiving written submissions and through public debate forums and industry events. Mr Wilcox undertook a considerable amount of work and I take this opportunity to thank him for his efforts and his thoughtful and balanced report.

Since receiving Mr Wilcox’s report the government has undertaken further consultations on the report’s recommendations with stakeholders, including with my state and territory workplace relations ministerial colleagues, in finalising the government’s re-
sponse. I thank all stakeholders for their contributions and submissions to the consultations with Mr Wilcox and the government.

The bill before us today delivers on the Rudd government’s election commitment to the Australian people.

The government understands that the building and construction industry stakeholders do not agree on all matters but we must agree, as I am sure that every decent Australian agrees, that there is no place in any industry for people choosing which laws to obey and which ones to ignore; for underpayment of wages or sham contracting or violence and intimidation in the workplace. Labor is committed to implementing a strong set of compliance arrangements for the building industry, a strong ‘cop on the beat’, and the Rudd government has consistently stated that anyone who breaks a law will feel the full force of the law.

**Description of the bill**

The principal object of the bill recognises the government’s intention to provide a balanced framework for cooperative and productive workplace relations in the building and construction industry. A key objective of this bill is compliance with workplace relations law in the industry by all building industry participants including employers, employees and their respective associations.

This bill aims to provide fairness in the industry by ensuring that information, advice and assistance is available to all building industry participants in connection with their rights and obligations under relevant laws.

The bill provides effective means for investigation and enforcement of relevant laws while balancing the rights of building industry participants through the provision of appropriate safeguards in relation to the use of enforcement powers.

This bill seeks to improve the level of occupational health and safety in the building industry. The bill retains the Office of the Federal Safety Commissioner (OFSC) and its related accreditation scheme, which have resulted in demonstrated improvements in the occupational health and safety practices and records of accredited companies and related projects.

**ABCC to be replaced**

This bill gives effect to the government’s election commitment to abolish the ABCC and transfer its responsibilities to a specialist fair work inspectorate from 1 February 2010.

The bill creates the new Office of the Fair Work Building Industry Inspectorate (the building inspectorate) and provides that this new agency will ensure compliance with the general workplace relations laws, as prescribed in the Fair Work Act 2009 by all building industry participants.

The creation of the building inspectorate creates certainty for industry participants, and it meets our election commitment to keep a strong ‘cop on the beat’ for the benefit of the industry and the economy.

**The Independent Building Inspectorate**

The building inspectorate created by this bill will be headed by an independent director appointed by the minister. The director will manage the operations of the building inspectorate and will not be subject to oversight or control by other statutory office holders.

This model gives best effect to Mr Wilcox’ recommendation that the director have ‘operational autonomy’ and reflects various stakeholder consultations on this point.

This structure also gives the best possible effect to Mr Wilcox’ recommendations to provide identified funding to the inspectorate and its own dedicated operational staff, including inspectors.
Consistent with Mr Wilcox’ recommendations the bill also creates an advisory board to make recommendations to the director on the policies and priorities of the building inspectorate. While the advisory board will not determine the inspectorate’s policies and priorities, the director will consider their recommendations when determining the policies and priorities of the building inspectorate.

Mr Wilcox noted that, across the nation, there exist different levels of unlawfulness within the building and construction industry. The government believes that it is important to ensure that every effort should be made to focus compliance activities where those activities are most needed.

Consequently, today I will issue a ministerial direction to the Australian Building and Construction Commissioner, under section 12 of the Building and Construction Industry Improvement Act, to provide a report to me which maps out the ABCC’s resources allocation and placement compared to locations with high levels of unlawfulness as evidenced by allegations, investigations, prosecutions, audits and the like. This report will be required by 27 July 2009.

I will consider this report in the context of ensuring that the resources of the ABCC and from 1 February 2010 the building inspectorate are focused on those areas that have a demonstrated culture of unlawful behaviour.

**Scope and Penalties**

Consistent with Mr Wilcox’ recommendations, the definition of ‘building work’ is amended to remove its coverage of off-site work; thereby focusing the scope of the inspectorate’s operations on work on sites.

The building inspectorate will be charged with enforcing the building industry’s compliance with the general law as prescribed in the Fair Work Act. As recommended by Mr Wilcox, the bill removes:

- higher penalties for building industry participants for breaches of industrial law, and
- broader circumstances under which industrial action attracts penalties in relation to the building industry.

**The retention of coercive interrogation powers**

While building participants will be subject to the same penalties as other workers, Mr Wilcox found that the need to retain the existing coercive interrogation powers was proven.

Mr Wilcox describes the ongoing need for coercive powers in the report as follows.

It is understandable that workers in the building industry resent being subject to an interrogation process that does not apply to other workers, designed to extract from them information for use in penalty proceedings against their workmates and/or union. I sympathise with that feeling and would gladly recommend against grant of the power. However, that would not be a responsible course. I am satisfied there is still such a level of industrial unlawfulness in the building and construction industry, especially in Victoria and Western Australia, that it would be inadvisable not to empower the [Specialist Division] to undertake compulsory interrogation. The reality is that, without such a power, some types of contravention would be almost impossible to prove.

I have reached the opinion that it would be unwise not to endow [Specialist Division] (at least for now) with a coercive interrogation power. Although conduct in the industry has improved in recent years, I believe the job is not yet done.

The government accepts the need to retain these powers.

In retaining the coercive interrogation powers this bill also includes the following safeguards, including all of the safeguards recommended by Mr Wilcox, in relation to the use of the power:
use of the powers is dependent on a presidential member of the Administrative Appeals Tribunal being satisfied a case has been made for their use,

persons required to attend an interview may be represented by a lawyer of their choice and their right to claim legal privilege and public interest immunity will be recognised,

persons required to attend an interview will be reimbursed for their reasonable expenses,

all interviews are to be videotaped and undertaken by the director or their deputy,

the Commonwealth Ombudsman will monitor and review all interviews and provide reports to the parliament on the exercise of this power, and

the powers will be subject to a five-year sunset clause.

The bill contains a sunset clause for the coercive powers at the end of five years from 1 February 2010. A review will occur prior to the sunset clause on all matters relating to compliance in the building and construction industry. Such a review would be inclusive of all stakeholders.

With respect to the issuing of an examination notice the presidential member of the Administrative Appeals Tribunal must be satisfied that:

all other methods of obtaining the material or evidence have been tried or were not appropriate;

the information or evidence would be likely to be of assistance to the investigation; and

it would be appropriate, having regard to all of the circumstances, to issue the examination notice.

As detailed in the bill’s explanatory memorandum, it is intended that the presidential member takes into account all of the relevant circumstances when making a decision as to whether the issue of an examination notice is warranted. The relevant circumstances include whether the alleged breach is sufficiently serious or whether being required to comply with a notice would have an undue impact on the person.

Relevantly in his report Mr Wilcox says:

… I am confident the safeguards I have recommended, if implemented, will minimise the unnecessary use, and potential misuse, of the power; without impeding, or significantly delaying, investigations…

The government agrees with this assessment and sees these measures as providing appropriate safeguards to the use of these powers.

It is appropriate at this time that I also inform the House that today I will be issuing a ministerial direction under the Building and Construction Industry Improvement Act to the Australian Building and Construction Commissioner concerning the application of coercive powers and the conduct of compulsory interviews.

This direction will require that the following safeguards be implemented:

the legal representative permitted to attend with a person who is the subject of a coercive powers hearing may sit and speak with their client at all times, speak on behalf of the client and be given the time and privacy to consult and advise the client;

the ABC Commissioner must comply with the model litigant policy of the Commonwealth;

the ABC Commissioner must provide a reasonable opportunity for an objection to be raised to a particular exercise of the coercive power and allow any such ob-
jection to be tested in an appropriate court or tribunal;

• before exercising the coercive power, the ABC Commissioner must provide a nominated person who is a Presidential Member of the AAT, acting in their personal capacity, with a report describing the person against whom the power is to be exercised, the purpose of the exercise of power, the urgency, the likely effect on the person and whether the purpose can be achieved in another way; and

• having provided the report the ABC Commissioner must consult with the nominated person and receive written advice from the nominated person on their opinion in respect of the proposed exercise of power.

This direction will take effect from 3 August 2009 in order to allow the ABC Commissioner to put the necessary mechanisms in place and for me to appoint the nominated person.

Coercive interrogation powers and the Independent Assessor

The government is heartened by the fact that Mr Wilcox is not of the view that there are widespread and broad problems for the industry across the country. We agree and note that the vast majority of participants in the industry are hardworking and law-abiding men and women.

But the reality is there are also problems in this vital sector. There is a clear and immediate need to drive cultural change in some key areas of the industry.

Accordingly, the legislation is aimed at driving cultural change in the industry and focusing compliance activities where those activities are most needed.

On this basis the bill creates an office, the Independent Assessor—Special Building Industry Powers, who may, on application from stakeholders, make a determination that the coercive interrogation powers will not apply.

It is important to explain how this ‘switch off’ power will work.

From 1 February 2010 the increased safeguards on the use of coercive powers will apply to all existing and new projects.

All projects that commenced prior to 1 February 2010 will remain covered by coercive powers.

All projects that commence on or after 1 February 2010 will start with the coercive powers ‘switched on’.

On projects that commenced on or after 1 February 2010 an interested person will be able to make an application to the Independent Assessor to have coercive powers switched off in relation to a specific project.

In determining whether to switch off the coercive powers, the Independent Assessor must be satisfied that:

(a) it would be appropriate to make the determination, having regard to:
   (i) the object of this act; and
   (ii) any matters prescribed by the regulations; and

(b) it would not be contrary to the public interest to make the determination.

In the event that a project where the coercive powers have been switched off experiences industrial unlawfulness the Independent Assessor may rescind or revoke the original decision, thereby switching the powers back on. Additionally, the Director of the Building Inspectorate may request the Independent Assessor reconsider the decision at any time based on changes in circumstances on a specific project.

These provisions ensure that the powers are focused where they are needed most. The government is determined to encourage law-
ful behaviour and a change in the industry’s culture. These arrangements provide the industry with the opportunity to demonstrate that the requisite lawful culture is in place and the opportunity for the law-abiding majority to not be tarred with the same brush as the unlawful rogue elements.

The Office of the Federal Safety Commissioner

Finally, the government knows the importance of safety at work in the building and construction industry. This bill retains the provisions of the BCII Act that relate to the Office of the Federal Safety Commissioner (OFSC) and its related OHS Accreditation Scheme.

The government’s review of existing regulatory arrangements for the building and construction industry never intended to address the OFSC and the scheme as it has always been the government’s intention to retain the OFSC and the scheme. These issues were deliberately not included in Mr Wilcox’s terms of reference on this basis.

The OFSC and the scheme are strongly supported in the industry and retention of the OFSC and the scheme reflects the government’s commitment to OHS compliance in this vital industry.

Conclusion

This bill ensures balance and fairness for all participants in the Australian building and construction industry.

There are those who will be critical of the government’s reforms on both sides of the industry. We accept that differences in views and perspectives make this criticism almost inevitable and that some may be disappointed in some parts of this bill. I am also disappointed; disappointed that there are still pockets of the industry where people think they are above the law, where people engage in intimidation and violence.

Having said that, the government believes that the safeguards that are being introduced achieve the balance required to ensure compliance with the law and the fair treatment of individuals. Law abiding industry participants have nothing to fear from the existence of these strong powers to deal with rogue elements in the industry. Ultimately, whether or not the powers are used is in the hands of all building industry participants themselves. If the law is abided by then the powers will not be used.

The Rudd Labor government is resolute in honouring its election commitment to abolish the Australian Building and Construction Commission and replace it on 1 February 2010 with a new specialist Fair Work inspectorate.

The Rudd Labor government believes in making this nation stronger and fairer. The government understands that only considered, fair and balanced laws will create the sort of long-term change Australia’s building and construction industry needs if it is to flourish, create jobs and make a positive contribution to national productivity and prosperity.

This is what this bill does. I commend the bill to the House. In doing so, I record my personal thanks to Michael Maynard of my department and to Peter Cully for their efforts on this bill, to the draftspeople in the Office of Parliamentary Counsel and, particularly, to Craig Carmody in my office. I also record my thanks to my caucus colleagues for the debates on this bill yesterday.

Debate (on motion by Mr Haase) adjourned.
RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr Combet.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (9.24 am)—I move:

That this bill be now read a second time.

Australia is increasingly faced with compelling evidence of the effects of climate change and the risks of not acting to reduce carbon pollution. We know that new data and scientific understanding compiled since the Intergovernmental Panel on Climate Change 2007 report are painting an even more worrying picture of climate change for the whole world.

The Australian people have clearly indicated that they expect our government to take decisive action on climate change and the government is committed to introducing the Carbon Pollution Reduction Scheme. So it is important to set foundations that will stand Australia in good stead to position us to take advantage of opportunities in a carbon-constrained world. We must provide our future generations with an economic and environmental legacy that matches the one that we enjoy.

The world’s attention is focused on securing a post-2012 agreement at Copenhagen. And it is in Australia’s national interest to secure an ambitious deal that stabilises greenhouse gas emissions in the atmosphere at 450 ppm carbon dioxide equivalent or lower. What matters most as we try to secure a global deal is what we do at home. Our domestic agenda is our platform for Copenhagen in helping to shape a global solution.

In order to discharge our obligations to address climate change, the Carbon Pollution Reduction Scheme was recently introduced into the House of Representatives in May. In introducing this bill today, the government is laying the second foundation of its highly significant institutional set of changes in environmental and economic policy in this country.

Renewable Energy Target scheme - part of a comprehensive approach

The government’s commitment to a renewable energy target of 20 per cent of our electricity supply to come from renewable sources by the year 2020 is a key measure within the government’s comprehensive approach to tackling climate change.

The expanded renewable energy target will complement the proposed Carbon Pollution Reduction Scheme now before the parliament and will accelerate the development and deployment of renewable energy technologies.

The Council of Australian Governments agreed to the design of the Renewable Energy Target Scheme on 30 April 2009, following extensive community consultation. As the Prime Minister observed at the time, that agreement represents a major step towards Australia’s low-pollution future.

Today, in introducing legislation to give effect to the renewable energy target, we move closer towards that low-pollution future.

The Renewable Energy Target Scheme will bring the mandatory renewable energy target and existing and proposed state and territory schemes into one national scheme, avoiding the inefficiencies, and administration and compliance costs, of multiple schemes operating around the nation. The
legislative framework will ensure a smooth transition into the national scheme for the only existing state-based scheme, the Victorian renewable energy target.

Electricity generation accounts for more than one-third of Australia’s current greenhouse gas emissions, so Australia’s transition to a low-pollution future will require a significant transformation in this sector. The Renewable Energy Target Scheme will accelerate deployment of a range of renewable energy technologies like wind power, solar, biomass and geothermal power over the next two decades. Over the longer-term the Carbon Pollution Reduction Scheme will be the main driver of renewable energy deployment.

As a transitional measure, the Renewable Energy Target Scheme will help transform the electricity sector and drive the low-pollution electricity generation that we need to tackle climate change. It will deliver on the government’s commitment that 20 per cent of Australia’s electricity supply will come from renewable sources by 2020.

The Renewable Energy (Electricity) Amendment Bill 2009 amends the Renewable Energy (Electricity) Act 2000 to increase the existing mandatory renewable energy target from 9,500 gigawatt hours to reach 45,000 gigawatt hours in 2020. This change will increase the existing target by more than four times. Building on the existing mandatory renewable energy target framework, the new Renewable Energy Target Scheme will create a guaranteed market for additional renewable energy deployment, using the mechanism of tradeable renewable energy certificates that are created by renewable energy generators. And this in turn will attract additional investment and create additional jobs in renewable energy in Australia.

The Renewable Energy Target Scheme is part of the government’s economically responsible approach to tackling climate change. It focuses on providing support for the most cost-effective renewable energy technologies.

The expanded renewable energy target will accelerate green jobs and together with the Carbon Pollution Reduction Scheme will drive around $19 billion in investment in the renewable energy sector in the period to 2020.

Key design features of the Renewable Energy Target Scheme

Higher annual targets under the expanded Renewable Energy Target Scheme will apply from 1 January 2010 and will reach 45,000 gigawatt hours in 2020. To provide renewable energy investors with even greater legislative certainty, the 45,000 gigawatt hour target will be maintained until 2030.

The Renewable Energy Target Scheme includes many of the features of the current mandatory renewable energy target, including eligible sources and banking of renewable energy certificates to promote smoother investment over time. It is a broad based incentive which provides a significant platform for accelerating the deployment of a range of renewable energy technologies.

The government recognises that households are keen to do their bit in the fight against climate change. The renewable energy target will assist with the upfront costs of installing small-scale renewable energy systems, including household solar photovoltaic systems, by introducing a ‘solar credits’ mechanism. Solar credits work by allowing owners of small-scale renewable energy systems to earn multiple renewable energy certificates for renewable energy produced by these systems.

Solar credits, which take effect for systems installed from 9 June 2009, will provide the solar industry with certainty and a solid platform for future growth.
A related bill, the Renewable Energy (Electricity) (Charge) Amendment Bill 2009, increases the level of the shortfall charge under the Renewable Energy Target Scheme from $40 per megawatt hour to $65 per megawatt hour. The shortfall charge encourages compliance with the Renewable Energy Target Scheme as liable parties who do not meet their obligations to purchase renewable energy certificates will need to pay this charge. Increasing the shortfall charge to this level will allow the price of renewable energy certificates to be sufficient to drive investment in renewable energy in order to meet the government’s significantly increased renewable energy targets. The level of the shortfall penalty will be monitored to ensure it remains effective as an incentive for investment in renewable energy.

The government recognises the impact of the renewable energy target on emissions-intensive trade-exposed industries in the context of the proposed Carbon Pollution Reduction Scheme and the additional pressures these firms are experiencing as a result of the global recession. As part of the consultation process, stakeholders suggested that assistance under the renewable energy target should take account of the cumulative impact of the renewable energy target and the Carbon Pollution Reduction Scheme.

The government listened to industry, particularly industries such as the aluminium smelting sector, and has therefore decided to provide assistance under the renewable energy target, reflecting the cumulative impact of the renewable energy target and the Carbon Pollution Reduction Scheme.

The bill provides for regulations to be made to provide partial exemptions from liability under the expanded renewable energy target. As agreed by COAG, the Coalition of Australian Governments, on 30 April 2009, partial exemptions will apply to those activities that are emissions-intensive trade-exposed activities under the Carbon Pollution Reduction Scheme. Exemptions will apply to 90 per cent or 60 per cent of an entity’s liability under the renewable energy target, according to the respective category of assistance provided under the Carbon Pollution Reduction Scheme framework. All businesses will contribute to supporting renewable energy as the exemptions will only apply for liability above the existing 9,500 gigawatt hour target.

The bill also provides for a review of the operation of the Renewable Energy Target Scheme to be undertaken in 2014 to coincide with the strategic review of the proposed Carbon Pollution Reduction Scheme. The review will allow the government to ensure that the expanded national Renewable Energy Target Scheme remains effective as a measure to increase the deployment of renewable energy generation in Australia.

**Government funding for renewable energy**

The renewable energy target measure is complemented by significant direct support that the government is providing to the renewable energy industry through a range of other initiatives. As part of the 2009-10 budget, the government announced the $4.5 billion clean energy initiative, which will kick-start a range of critical low-emission energy technologies in the marketplace.

As part of the clean energy initiative, the government will invest $1.6 billion in solar technologies, including $1.5 billion for the Solar Flagships program and $100 million for the Australian Solar Institute, which supports research into solar thermal, solar photovoltaic and other solar energy technologies. The Solar Flagships program will aim to create an additional 1,000 megawatts of solar generation capacity. This ambitious target is three times the size of the largest solar en-
ergy project currently operating anywhere in the world and may demonstrate both solar thermal and solar photovoltaic technologies.

The clean energy initiative also includes $465 million to establish Renewables Australia, to support leading-edge technology research and bring it to the marketplace.

In addition, the $480 million National Solar Schools Program is giving Australian schools a head start in tackling climate change and conserving our precious water supplies. Over 4,000 schools have registered to participate and more than $10 million in grants have already been approved.

The government recognises that we need to take action to tackle climate change with a comprehensive set of measures. Expansion of renewable energy generation represents a significant opportunity to reduce Australia’s energy sector emissions while driving $19 billion of investment and creating the green jobs of the future as part of an estimated thirtyfold increase in the renewable electricity sector by 2050.

The implementation of the expanded national Renewable Energy Target Scheme as outlined in this bill represents a major step towards transforming the electricity sector and the Australian economy to contribute to a low-pollution future.

But, even with complementary measures like the expanded renewable energy target in place, Australia’s emissions will still be around 20 per cent higher in 2020 than they were in 2000, as opposed to as much as 25 per cent less with the Carbon Pollution Reduction Scheme in place. That is why these are two key institutional measures—the Carbon Pollution Reduction Scheme and the expanded Renewable Energy Target Scheme—to address climate change.

Without the Carbon Pollution Reduction Scheme, we certainly cannot halt climate change or substantially reduce emissions. Without the Carbon Pollution Reduction Scheme, the fact is we will keep making climate change worse.

And, further, the simple fact is that without the Carbon Pollution Reduction Scheme we will have no means to deliver our emissions reductions targets, which are ambitious but necessary and responsible.

I commend the bill to the House.

Debate (on motion by Mr Haase) adjourned.

**RENEWABLE ENERGY (ELECTRICITY) (CHARGE) AMENDMENT BILL 2009**

*First Reading*

Bill and explanatory memorandum presented by Mr Combet.

Bill read a first time.

*Second Reading*

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (9.37 am)—I move:

That this bill be now read a second time.

The Renewable Energy (Electricity) (Charge) Amendment Bill 2009 amends the Renewable Energy (Electricity) (Charge) Act 2000 and, together with the related Renewable Energy (Electricity) Amendment Bill 2009, implements the expanded national Renewable Energy Target Scheme to deliver on the government’s commitment to ensure that 20 per cent of Australia’s electricity is supplied from renewable sources by 2020.

This bill increases the level of the shortfall charge under the expanded Renewable Energy Target Scheme from $40 per megawatt-hour to $65 per megawatt-hour. The shortfall charge encourages compliance with the Renewable Energy Target Scheme, as liable parties who do not meet their obligations to purchase renewable energy certificates will
need to pay this charge. Increasing the short-
fall charge to this level will therefore act as
an incentive for investment in renewable
energy in order to meet the government’s
significantly increased renewable energy
targets.

The level of the shortfall penalty will be
monitored to ensure it remains effective as
an incentive for investment in renewable
energy.

According to data published by the Office
of the Renewable Energy Regulator, there
has been a consistently high level of compli-
ance with the mandatory renewable energy
target since the scheme began in 2001, which
means that very few liable parties have, in
fact, needed to pay the shortfall charge. The
new shortfall charge seeks to encourage af-
fordable deployment of renewable energy
through continued high levels of compliance,
while taking into account the significant in-
crease in annual targets under the expanded
scheme.

I commend the bill to the House.

Debate (on motion by Mr Haase) ad-
journed.

MIGRATION AMENDMENT
(ABOLISHING DETENTION DEBT)
BILL 2009
First Reading

Bill and explanatory memorandum pre-
sented by Mr Laurie Ferguson.

Bill read a first time.

Second Reading

Mr LAURIE FERGUSON (Reid—
Parliamentary Secretary for Multicultural
Affairs and Settlement Services) (9.41 am)—
I move:

That this bill be now read a second time.

The Migration Amendment (Abolishing De-
tention Debt) Bill 2009 amends the Migra-
tion Act 1958 to remove the liability for de-
tention and related costs for certain persons,
and liable third parties, and extinguishes all
outstanding immigration detention debts.

The Rudd government is committed to es-
tablishing a fairer and more humane and ef-
fective system of immigration detention. This
bill represents the first legislative step in
the government’s reform of immigration
detention. Further reforms, to give legislative
effect to the government’s New Directions in
Detention policy announced in July last year,
will be introduced shortly.

The government considers that fairer and
effective immigration detention policies and
strong border security measures are not in-
compatible.

This bill reflects that conviction: striking
an appropriate balance by abolishing an inef-
fective system that penalises former detain-
ees with enormous debt burdens, while en-
suring that liability for detention costs re-
 mains a deterrent in relation to convicted
illegal foreign fishers and people smugglers.

This bill contains four key measures to re-
form the system of detention debt.

The bill will, firstly, repeal provisions in
division 10 of part 2 of the act in relation to
the liability of a noncitizen who is detained
in immigration detention, and third parties in
certain circumstances to pay the Common-
wealth the costs of a detainee’s transport be-
tween a place where the noncitizen is de-
tained and another place within Australia as
well as the daily maintenance amount for
each day of the noncitizen’s detention. Li-
ability for costs associated with the removal
or deportation of unlawful noncitizens under
division 10 of part 2 to the act will remain
unchanged.

Secondly, this bill will retain and clarify
provisions in division 14 of part 2 of the act
which relate to the liability of convicted ille-
gal foreign fishers and convicted people
smugglers for detention and transport costs.
These provisions are being retained in response to the serious nature of the offences covered by section 262 and in recognition of the need for a significant deterrent to apply to these offences.

Together, these amendments will mean that the detention debt regime will be prospectively abolished for all classes of detainees other than convicted illegal foreign fishers and convicted people smugglers.

Thirdly, the bill will provide for the extinguishment of all outstanding detention debt for noncitizens who are in immigration detention, or persons who have been in immigration detention, and liable third parties at the time of commencement of the legislation.

Finally, the bill will make consequential amendments to:

- clarify in subdivision B and C of division 4 of part 2 to the act (that relate to criminal justice certificates) that the cost of keeping a noncitizen in Australia under these provisions does not include the cost of immigration detention; and

- ensure that the regulations can no longer prescribe sponsorship undertakings or obligations that include paying the Commonwealth an amount relating to the cost of a person’s immigration detention. The bill also ensures that the element of undertakings or obligations made by a sponsor prior to commencement of this bill that relate to paying detention costs of a visa holder sponsored by the sponsor will cease to have effect.

As the House may be aware the government introduced this bill in identical form in the Senate on 18 March 2009. We have taken the unusual step of re-introducing the same bill in the House today to try and progress the bill’s passage through the parliament in this sitting fortnight.

I would like to emphasise, however, that it is exactly the same bill as was introduced in the Senate on 18 March 2009.

In pursuing these amendments the government has considered the findings and recommendations of three recent reviews of the detention debt regime under division 10 of part 2 of the act.

In 2006 the Senate Legal and Constitutional Affairs Committee, in its report Administration and operation of the Migration Act 1958, noted that ‘The evidence clearly indicates that the imposition of detention costs is an extremely harsh policy and one that is likely to cause significant hardship to a large number of people. The imposition of a blanket policy without regard to individual circumstances is inherently unreasonable and may be so punitive in some cases as to effectively amount to a fine.’ The committee agreed that it was a serious injustice to charge people for the cost of detention.

In an own motion report published in April 2008, the Commonwealth Ombudsman examined the Department of Immigration and Citizenship’s administrative processes and procedures in relation to the detention debt policy.

The report, Department of Immigration and Citizenship: administration of detention debt waiver and write-off, noted that while the department was administering the debt waiver and write-off of detention debt according to legislative and policy requirements, there was scope for improvement. In particular, the Ombudsman noted that the department could improve the information it provides to people, timeliness and prioritisation in processing cases, and the consistency and reasonableness of decisions on debt waiver and write-off.

Although the Ombudsman’s report focused on the administration of the policy, the report also commented upon the burden of
detention debt, noting that ‘Complaints to the Ombudsman’s office indicate that the size of some debts cause stress, anxiety and financial hardship to many individuals who are now living lawfully in the Australian community, as well as for those who have left Australia.’

In introducing this legislation the government has accepted the unanimous recommendation of the Joint Standing Committee on Migration (JSCM) that the Australian government, as a priority, introduce legislation to repeal the liability for immigration detention costs, and immediately waive all existing detention debts for all current and former detainees. I stress again the points that this was a unanimous report and that there was a call for priority. A degree of urgency was given in that committee report.

In the first of three reports in its current inquiry, Immigration detention in Australia: a new beginning, released in December last year, the JSCM commented on the administrative inefficiencies of the policy.

Noting that less than 2.5 per cent of the detention debt invoiced since 2004-05 had been recovered, with the vast majority of debts incurred under this system waived or written off, the JSCM concluded that, ‘The practice of applying detention charges would not appear to provide any substantial revenue or contribute in any way to offsetting the costs of the detention policy. Further, it is likely that the administrative costs outweigh or are approximately equal to debts recovered.’

The JSCM focused on the adverse impact of detention debt on those who either remained in Australia or had connections to the country, citing concerns about ‘the burden on mental wellbeing, the ability to repay the debt, and the restrictions a debt could place on options for returning to Australia on a substantive visa’.

Like the Commonwealth Ombudsman, the JSCM noted concerns raised with the committee that ‘detention debts are a source of substantial anxiety to ex-detainees, and may impede the capacity of the ex-detainees to establish a productive life, either in Australia or elsewhere’.

The JSCM’s report made particular reference to the adverse impact detention debt often had on the mental health of former detainees, noting that the imposition of a significant debt often prolonged or exacerbated mental health problems relating to immigration detention, particularly where there was a history of torture and trauma.

The JSCM referred to the limited earning capacity of many people on their release from detention, and the financial hardship that substantial debts caused. The committee also acknowledged the detrimental flow-on effect for families and dependants in these situations.

I will turn to each of the measures in this bill.

Part 1 of schedule 1 to the bill will provide for the general amendments to the act. Part 1 will repeal provisions in division 10 of part 2 of the act in relation to the liability of detainees and third parties for the cost of detention and the costs of transporting a detainee between places of detention.

As demonstrated most recently by the JSCM, the original objective behind the detention debt policy—to minimise the costs to the Australian community of the detention, maintenance and removal or deportation of unlawful noncitizen by ensuring all unlawful noncitizens bore primary responsibility for these costs—is simply not being met.

While the cost of immigration detention is significant, debt recovery under the existing system is so low as to be virtually ineffective. The majority of those persons with an immigration detention debt have their debts
written off as uneconomical to pursue, while persons without an accurate forwarding address or with ongoing non-response are also not pursued by DIAC for practical and administrative reasons. A small proportion of debts are waived, where special circumstances are established and the Commonwealth considers that it has a moral, rather than a legal, obligation to extinguish the debt.

Recent figures provide an apt demonstration of the ineffectiveness of this policy. During 2006-07 and 2007-08 immigration detention debt raised was $54.3 million of which $1.8 million (or 3.3 per cent) was recovered. $48.2 million was written off by the department as uneconomical to pursue and $4 million was waived. For the 2006-07 and 2007-08 financial years the balance of $0.3 million is under active debt management.

Making immigration detainees primarily responsible for the costs associated with their detention, has not, in any significant way, contributed to minimising costs to the Australian community. And in the meantime, the department is required to meet the high cost of administering a debt that it is largely unable to collect.

These debts are not insignificant. The current daily maintenance amount of $125.40 can see a person in immigration detention for a year incur a debt of more than $45,000.

As the JSCM report detailed, detention debts in the hundreds of thousands of dollars are not uncommon.

These debts have little effect on those with sufficient funds to repay, and no effect on those (the majority) who cannot readily be contacted. It is only the minority with a genuine desire to seek legal stay in Australia who are directly affected.

Departmental operational policy provides that detainees, once repatriated, must repay their debt in full or make satisfactory arrangements for repayment, before they can meet eligibility criteria for a visa. This requirement can act as a barrier to a person returning to Australia (even when partners or family members are Australian citizens), impede the transition from a temporary to permanent visa (as in the case of spouses), and prevent former detainees from sponsoring and being reunited with their family members (even, on occasions, when the former detainee has been found to be a refugee). As such, this requirement inequitably affects those who seek to remain and settle in Australia, while the majority of people released from immigration detention are removed from Australia and are therefore under no obligation to repay their debts to the Commonwealth.

It is significant that no other country with immigration detention facilities holds people liable for their detention debts.

In terminating the detention debt regime under division 10, this bill not only prospectively abolishes a harsh and inequitable system which adversely impacts on the ability of former detainees to settle in Australia, but also brings to an end a system that has been demonstrated to be ineffective and inefficient. For many seeking to start a new life in Australia, the bill removes an onerous burden of debt that is selectively harsh in its effects on the most vulnerable.

It is important to note that liability for costs associated with the removal or deportation of unlawful noncitizens under division 10 of part 2 of the act will remain unchanged. People deported or removed from Australia will continue to be subject to the costs incurred. This government recognises that the policy in relation to removal costs provides a deterrent against noncitizens electing to be removed from Australia to avoid payment of travel costs. The government has no intention of encouraging visitors

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to this country to become destitute and then rely on the Australian government—and thereby the Australian taxpayers—to pay for their return.

Part 1 of schedule 1 to the bill will also clarify the operation of provisions under division 14 of part 2 of the act.

The Australian government recognises that there are cases where the deterrent effect of detention debt is appropriate: persons convicted of illegal foreign fishing or of people-smuggling offences under the act.

The Australian government remains very concerned with illegal, unreported and unregulated fishing in our northern waters and the abhorrent and despicable trade of people smuggling. Unlike many people who enter Australia, convicted illegal foreign fishers and people smugglers have no interest or intent to live in or contribute to Australian society. In fact, the actions resulting in their convictions are in direct conflict with the interests of the Australian community.

The nature of these offences calls for a significant deterrent. While the government maintains rigorous ongoing surveillance and enforcement measures to tackle illegal foreign fishers and people smugglers, we recognise that we must use all measures available to preserve the integrity and security of our borders.

For these reasons this bill will retain and clarify the provisions in division 14 of part 2 of the act, to continue the liability of convicted illegal foreign fishers and convicted people smugglers for the costs of their detention.

The retention of detention debt liabilities for persons convicted of illegal foreign fishing and people smuggling will act as an adjunct to penalties already in place, strengthen the government’s operational and national security response to illegal foreign fishing and people smuggling, and support the integrity of Australia’s border security regime.

Section 262 in division 14 of part 2 of the act will be amended to enable the minister to make a legislative instrument determining the daily amount for keeping and maintaining a person in immigration detention at a specified place in a specified period. This measure will ensure that the detention costs payable by convicted illegal foreign fishers and convicted people smugglers and liable third parties are clearly specified.

A new system for the management of detention debts incurred by convicted illegal foreign fishers and convicted people smugglers under amended division 14 of part 2 of the act will be established by DIAC to ensure that it operates as intended.

Part 1 of schedule 1 to the bill will also provide for the extinguishment of all outstanding debt for noncitizens who are in immigration detention, or persons who have been in immigration detention, and liable third parties, in relation to the costs of detention payable at the time of commencement of the bill.

The bill extinguishes all existing debts incurred under the detention debt regime. The amendment to extinguish all outstanding immigration detention debt is necessary to provide a one-off blanket removal of a whole class of debts. After discussions with the Department of Finance and Deregulation it was determined that the extinguishment mechanism was more appropriate to use than either a waiver or a write-off of existing debts. A waiver approach (as recommended by the joint committee) would require that consideration should be given to the individual circumstances of each debt, which would be administratively cumbersome; while a write-off approach is not appropriate because even when a debt is written off, it may be reinstated and pursued at a later date.
The total of the detention debt to be extinguished by this bill is the amount owed to the Commonwealth at the time of commencement including amounts written off and debts under active debt management. Given that such debt arrangements have been in place for many years, the unavailability of comprehensive records over that time and payment of debt by some persons, a precise total figure is not available. However, based on the annual financial statements the estimated total of the debt to be extinguished is in the order of $350 million, of which less than five per cent is recoverable and the majority has been written off already.

The extinguishment is not retrospective and therefore will only apply to debts that exist at the commencement of the legislation. There will be no refunds of any debts that have been paid in part or full before the commencement of the legislation. It is recognised that such payments were made in the discharge of a legal liability existing at the time of payment.

However, existing frameworks will continue to be available to allow for the recovery by an individual of an amount paid to the Commonwealth where there has been a mistake or illegality involved. For example, if it is found that a person was unlawfully detained, any immigration detention debt paid in relation to the unlawful detention may be recoverable through legal action, settlement, the compensation for detriment caused by defective administration scheme or act-of-grace payments through section 33 of the Financial Management and Accountability Act 1997. This may also extend to third parties who were liable and previously paid for the costs in relation to immigration detention.

All former detainees currently under active debt management will be notified of the changes through individual letters to their last known address. General information about the extinguishment will also be provided to community groups and placed on the department’s website.

By extinguishing existing debt for all detainees, this bill will allow people to move on in their lives without the weight of detention debt holding them back.

Parts 2 and 3 of schedule 1 to this bill amend the act to ensure that regulations made for the purposes of subsection 140H(1) of the act cannot prescribe a sponsorship undertaking, or if the Migration Legislation Amendment (Worker Protection) Act 2008 has commenced cannot prescribe a sponsorship obligation to pay the cost of a person’s immigration detention. These parts further provide that an undertaking prescribed by the Migration Regulations 1994 (the ‘regulations’) made for the purposes of subsection 140H(1) of the act (that relates to paying the Commonwealth an amount relating to the cost of a person’s immigration detention), will cease to have effect on the commencement of this bill.

As I noted earlier, in introducing this legislation the government took into account the unanimous recommendation of the Joint Standing Committee on Migration that the Australian government, as a priority, introduce legislation to repeal the liability of immigration detention costs, and immediately—I stress, immediately—waive all existing detention debts for all current and former detainees.

The committee members at the time of the December report included a number of members opposite. Danna Vale, MP (member for Hughes), Petro Georgiou, MP (member for Kooyong), Senator Alan Eggleston and—most notably—the shadow minister for immigration and citizenship, Dr Sharman Stone, MP (member for Murray).
I note that on releasing the report the deputy chair of the committee, the member for Hughes, stated that the committee found the policy—and I underline this—‘harsh and without reasonable rationale’. This is indeed strong language by the member, reached after committee processes. One would assume that such a tone was not lightly taken.

So it is now surprising and disappointing that the opposition has signalled that it is now intending to oppose this bill, after that joint committee report involving the opposition spokesperson.

There can be no rational explanation for the Liberal Party’s backflip other than political opportunism. The members opposite would rather stand ready with dog whistles to support the continuation of a policy that is clearly not achieving its objectives than acknowledge that this is a sensible policy change. If the opposition are to now argue that we have to do this in light of the number of boats arriving in Australia, and if they tie that to a change of government policy in detention, one would have to ask why they did not realise that was going to happen at the time when they jointly signed this report. If there is this direct connection between the number of boats and a lightening of policy, why didn’t they oppose the abolition of these detention costs at that time?

This is a sensible policy change that abolishes a system which adversely impacts on the ability of former detainees to lawfully settle in Australia and brings to an end a system that has been demonstrated to be inefficient and has no deterrent effect.

So what we now have is the Liberal Party—the self-professed champions of economic management—supporting a policy where the administrative costs outweigh the debts recovered by the government, to the detriment of the Australian taxpayer.

For the 2008-09 financial year the department have estimated that the cost of administering detention debt bills will be approximately $709,000. Year to date receipts to 30 April 2009, from repayment of detention costs for 2008-09, is $477,613. If this figure is extrapolated to the full year, it appears that the department will recover approximately $573,000 in detention debt. I talked earlier about the cost of going after this money.

Not only do these recent figures demonstrate what an inefficient policy this is but they also highlight what a ridiculous position the opposition is adopting after the shadow minister and her colleagues wholeheartedly endorsed the abolition of detention debt just six months ago.

In conclusion, can I reiterate that the government expects that people who come to Australia enter and leave in accordance with their visa conditions. Immigration detention will continue to be used as an appropriate tool to manage compliance and the prompt removal of those who have no legal right to remain in Australia.

In short, immigration detention will continue to support the orderly processing of migration to our country.

However, the government considers that fair and effective immigration detention policies and strong border security measures are not incompatible.

This legislation will strike an appropriate balance.

The bill marks an important change in the treatment of persons who have been subject to immigration detention. I hope it will have the support of members, most particularly those opposition members of the JSCM who were part of the unanimous recommendation that we abolish this system, who analysed the problem, came up with the report and
unanimously endorsed the motivations of this legislation.

I commend the bill to the chamber.

Debate (on motion by Mr Abbott) adjourned.

BUSINESS

Rearrangement

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (10.05 am)—I move:

That order of the day No. 1, government business, be postponed until a later hour this day.

Question agreed to.

FAMILY ASSISTANCE AMENDMENT
(FURTHER 2008 BUDGET MEASURES)
BILL 2009

Second Reading

Debate resumed from 3 June, on motion by Ms Macklin:

That this bill be now read a second time.

Mr ABBOTT (Warringah) (10.06 am)—This legislation, the Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009, implements some significant and, nevertheless, not especially contentious housekeeping measures that should make our social security system work better. The first aspect of this legislation is provision to reduce the frequency of family tax benefit overpayments and consequently social security debt. Family tax benefit is based on annual income. Claimants provide an estimate of their annual income to Centrelink and on the basis of that estimate family tax benefit is paid. Of course family tax benefit is paid in the vast majority of cases fortnightly on the base of annual income.

This is not a problem for the vast majority of people who are in steady full-time employment, but it can produce some difficulties for people with variable incomes, such as people who are working part time or who are self-employed. It has long been the case that claimants are required to provide further estimates of their income and update their income estimates if their circumstances materially change. On the basis of these updated estimates, the claimant’s family tax benefit payments would be adjusted by Centrelink. As things stand, it is also the case that claimants could be paid at a rate that would leave them with a significant social security debt at the end of the financial year.

This legislation provides that, once new estimates of annual income are submitted, Centrelink will adjust family tax benefit payments to ensure that claimants will have no social security debt at the end of the financial year. It seems to be a sensible enough measure. It will mean that some claimants will be paid less than would currently be the case, but as things currently stand those higher payments will produce a debt that has to be repaid. As I said, it seems to be a sensible enough measure, although the opposition will be keen to monitor how it works in practice.

The second aspect of this bill is also designed to try to ensure that, as far as is reasonably possible, we do not have extensive social security debts. I stress that entitlement to family tax benefit is determined on the basis of annual income, and annual income can be finally determined only after the lodgement of a tax return. As we know, many people are somewhat dilatory when it comes to lodging these returns. At present, if a family tax benefit claimant does not submit a tax return within 18 months of the end of the financial year, a letter is dispatched to the claimant indicating that a debt is about to be raised against them. This is designed to ensure that tax returns are lodged where they are necessary. This legislation provides that after 18 months the claimants will not be entitled to be paid family benefit on a fortnightly basis if they have not lodged a tax return.
return. It seems a sensible enough measure, but the opposition will want to monitor how this works out in practice to ensure that no unreasonable hardship is imposed on people. With those two minor caveats, I indicate that the opposition will support this legislation and I look forward to subsequent debate.

The DEPUTY SPEAKER (Hon. AR Bevis)—It might help the process of the House if I just confirm that, in accordance with the resolution adopted, the orders of the day were altered. The bill that we are now discussing is, as the member for Warringah correctly spoke to, the Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009. The member for Warringah was in order. There was just an error in the way the bill was originally presented.

Ms REA (Bonner) (10.12 am)—I rise to support the Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009. I do so because I understand that this bill will go some way to assisting families, particularly for those on low and middle incomes and who are reliant on family tax benefit, to manage their household budgets a little bit better. Hopefully, it will avoid a number of families inadvertently running up debts with Centrelink. I know that the some 10,300 families who are recipients of family tax benefit in my own electorate of Bonner will certainly feel much easier about managing their incomes when they see these measures being introduced.

Family tax benefit is the third largest expenditure item of this government. After the states and territories grants program and the age pension, the next highest item of expenditure is family tax benefit, at a total of some $17 billion. It supports more than 2.2 million Australian families. This is therefore a sizeable chunk of the government’s budget. Indeed, it is why this House should support measures to see that the management of that fairly significant expenditure supports families and makes sure that we are accountable to the taxpayers, who are ultimately the people who provide that funding.

We know that there are many families doing it tough. We are going through the most severe global financial crisis since the Great Depression. Whilst many economists and treasurers are struggling with that issue, the real people who will be most significantly affected by this crisis will be many of the families out there in the electorates we represent. Any measure that enables those families to manage their incomes better and to reduce the debt incurred as a result of them inadvertently not being able to have their income correctly assessed is not only a very important measure to support those families but also a very responsible and accountable measure when it comes to that expenditure.

This money is actually acknowledging that over the period of the financial year there are some families receiving family tax benefit who indeed do receive more income during that year than was originally forecast. As the previous speaker, the shadow minister for families, community services and Indigenous affairs, indicated, family tax benefit is calculated on annual income. Although many receive fortnightly payments, it can often be the case that, as a result of an increase in income, those payments then become overpayments. Then, at the end of that financial year, a family is faced with a debt. Whilst an income increase is a good thing, we all know that it is not very pleasant to enjoy the fruits of that increased income over a financial year only to be faced with a debt at the end that you did not realise you had incurred. So this is a way of enabling families to continue to manage their incomes, to enjoy a modest increase if they receive it and to make sure that it is not curtailed or that they are not disadvantaged by incurring a debt at the end of the year.
Three measures all lead to that outcome. The first one is the mandatory continuous adjustment of family tax benefit payments. This has been voluntary since 2002 and now it is becoming mandatory. It is, as I said, a way in which the government has proposed to reduce any debt incurred, through over-payments because of an increase of income, at the end of the financial year. It is significant when you look at the figures. In fact, there is some $15 million worth of debt affecting 28,500 families across the country. This measure will help and support those families. Whilst many families we know are out there doing the right thing, they might inadvertently, unaware of the rules and because other events in their lives take over, breach those rules. We all know that there are many things that occupy families other than just making sure that their FTB payments are correct each fortnight. It is important that we as a government provide all of the assistance that we can. Through mandatory continuous adjustment, we will do so.

I guess it is important to note at this point that we know that, unfortunately, there are a very small minority of people out there who do actively find ways in which they can exploit the system. Unfortunately, that means that there must be rules and parameters around the way these payments are made. There must be continuous monitoring to make sure that that expenditure is targeted at the right people and is expended fairly. So, unfortunately, because of those few who will always try and flout the rules, there are many families who will inadvertently, because they do not declare an increase in income, end up with a debt. The mandatory continuous adjustment will enable that to be, hopefully, eradicated. Those families will no longer suffer a debt that they did not expect at the end of the year.

The second measure also moves to do the same thing, through dealing with the issue of non-lodger debt, as it is called. This is the case where, for whatever reason, a family eligible for FTB has not lodged a tax return 18 months after the financial year. Currently their fortnightly FTB payments continue to be paid, despite the fact that they have not lodged that tax return. This, again, can mean that a debt is incurred as a result of over-payment. First of all, can I encourage all families out there who do depend on this increased income, this government support, to be diligent about lodging their tax returns. It is the best way to ensure that they will receive all of the benefits that they as a family are entitled to. It will certainly ensure that they do not incur unnecessary debts.

Basically, the way that this will work is that if they have not lodged their tax return the family tax benefit payment will cease. This means that families will not continue to incur a debt as a result of overpayment because that money is being automatically paid to them, regardless of the fact that they have not lodged their tax return. Of course, once they do, as soon as the situation is rectified and as soon as they do lodge the tax return and their income is assessed, it will then mean that that family will receive all of the tax benefits that they were entitled to, even though the payment had ceased. They will receive it in the form of a lump sum at the end of the financial year. They will not receive it as fortnightly instalments. The government appreciates that that is a change. It is a way of making sure that household debt is not necessarily increased, but, at the same time, it ensures that when the situation is rectified those families have not missed out on payments that they would otherwise have been entitled to.

This is actually quite a significant measure when you look at the dollars involved. In September 2008, debts as a result of non-lodgement amounted to around $460 million. If we do not do anything, by September 2011
that debt will rise to $680 million. Not only is that a significant issue for the government in terms of being accountable to taxpayers for the way that we expend money but it is also significant because, as you can imagine, numbers that high obviously indicate that there will be tens of thousands of families affected by this. They, unfortunately, will see any benefit they have derived from an increase of income going towards a debt repayment that they were not necessarily aware of. This also responds to a recommendation from the Australian National Audit Office, who, looking at the possible increase in debt levels if we did not do anything, suggested that this was one way that the government could manage these payments a little bit better.

The third measure extends the period of time in which the tax office and Centrelink communicate with each other in providing information around tax file numbers and other information regarding payments to ensure that the measures that are put forward in this bill can in fact be initiated, because currently they only talk to each other for some 12 months. This will extend that out further. So particularly people who are in the non-lodger category can be assured that their payments are made and made correctly.

This third measure, I guess, indicates the need to always be vigilant about the level of communication between government departments. It is often a case of shock and horror to many people out there when they realise that government departments do not necessarily talk to each other in the way that they would expect them to. But at least we are able to monitor that and put it into legislation to ensure that that communication is there and that it is conducted in a way that will benefit the recipients of payments.

By way of conclusion, once again we see the government supporting low- and middle-income families and targeting government expenditure to those families who most need that support. It is important to see these particular measures in the context of so many other areas of reform that have come as a result of the election of the Rudd Labor government and indeed as a result, I think, of the very diligent care that Minister Macklin takes in making sure, through her portfolio, that those most in need receive the greatest support from our government.

As we know, pensioners and carers have certainly benefited from the recent budget. We have seen the introduction of 50 per cent education tax refunds to support families. We have increased the childcare rebate to 50 per cent. There is the Teen Dental Health Plan. There are tax cuts. And of course there is the initiative that I am particularly proud of, the announcement by the Treasurer of the introduction of paid parental leave to support families who, obviously, are deprived of an income when a parent is at home caring for a newborn child. This will make sure that they are financially supported and able to give the best care to their family and the newborn but also able to move back into the workforce when it is needed. As someone who has been a working mother since I was 21 years of age I want to put on the record how proud I am to be part of the government that has put in place that particular policy.

With these measures we once again see a government that cares about supporting families, particularly in harsh economic times. We see a government that targets that expenditure to the people we know are most in need. We also know that just providing payments is not enough to support families, particularly those on low and fixed incomes; enabling them to manage their household budgets better and avoid incurring unnecessary debts is just as important as the payments that we make. This is done in a way that is also sustainable and certainly ac-
countable to the taxpayers who provide the revenue to ensure we support these families in an ongoing manner. I commend the bill to the House.

Mr OAKESHOTT (Lyne) (10.25 am)—I rise certainly not to oppose this legislation but to flag several concerns I have with regard to several aspects of the bill, in particular the ongoing reforms to CDEP. I would also like to make some comments about the Northern Territory intervention generally and about the importance of considering in this place the poor policy for all aspects of discrimination, including something that is not talked about—geographic discrimination. I will come back to that.

This legislation is a continuation of the government’s reform agenda. It does seem to be a morphing of the previous government’s reform agenda and therefore there do seem to be some similarities in policy between each side of this House. In light of that, there are some sensible aspects to the bill. The move to remove the ATO as a place where FTB claims can be lodged is essentially a streamlining of the claim processes and an administrative cost-cutting measure and therefore, I would have thought, eminently sensible. Ninety per cent of FTB claimants currently claim through Centrelink anyway either by way of fortnightly payments or as a lump sum at the end of the year.

The move to allow IMR-affected welfare recipients residing in designated areas access to external review through the SSAT and the Administrative Appeals Tribunal again looks like a minor administrative change and sensible in the reform context.

Then there is the phasing-out of the CDEP wages payment arrangements. Payment arrangements for those on CDEP on 1 July will continue; new CDEP participants from 1 July onwards will be required to individually qualify for an income support payment. So it is a more gradual phasing-out of CDEP scheme payment arrangements than envisaged by the previous, Howard government. Mind you, it is still a phasing-out, and that is where a morphing of policy from both sides of the chamber is clearly occurring.

On that last point, I put on the table a clear example of success in a regional community, a practical example of how CDEP is delivering. Only last Thursday, I revisited a site in the Port Macquarie CBD—a so-called developed regional economy—where we are now seeing the final stages of completion of 12 two-bedroom affordable housing units. Affordable housing is much needed on the mid-North Coast. This has all been done by a Port Macquarie business, with links throughout the mid-North Coast, called Aboriginal Connections that has a very high strike rate for tendering well in a fully contestable market and delivering good building product. In addition, over 50 per cent of its employees are Indigenous, and it has been able to turn a lot of raw, young, unemployed talent into success stories in an open employment market. That has been done as part of the CDEP scheme and has largely occurred because of it.

There has been plenty of debate in this chamber in which people have generally been dishing out criticism on the CDEP and viewing it in a negative way. But there are success stories for CDEP. In relation to regional communities such as the mid-North Coast, I would ask people to consider some of the success stories as well as the negative stories when thinking about reform programs and Indigenous policy generally, including the ongoing changes to CDEP. If anyone wants to come and have a look at a local success story, there is Aboriginal Connections. It is doing everything that governments of both persuasions have required—that is, high employment of Indigenous people in a company that is competing in an open mar-
ket and doing it very successfully. It is delivering product such as affordable housing for communities in need. It ticks all the boxes. Therefore, it is of concern to me that we are seeing the scrapping of the CDEP scheme and that the general consensus on both sides of this chamber is that that is okay to happen in the future. I accept the government’s point of view that CDEP will be replaced with a universal employment service. That will be a watching brief for the future, and it is where I am flagging concern rather than raising direct opposition. I want to start to make some noise about the language that the government uses in putting forward this reform program.

The DEPUTY SPEAKER (Hon. AR Bevis)—Order! I am reluctant to intervene but I suspect that the member for Lyne may be wishing to speak on the social security and other legislation bill, which is listed next, rather than the family assistance bill.

Mr OAKESHOTT—Incorrect. It is the Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009. Mr Deputy Speaker, part of this involves changes to the CDEP scheme welfare payments.

The DEPUTY SPEAKER—I am happy to provide some latitude on that, but I am not sure that the remarks that you are making actually do go to the bill. I am happy for you to have some latitude about it; but, if that is the focus of your contribution, you may just consider whether or not the next bill is the one that you wish to address. Continue.

Mr OAKESHOTT—Mr Deputy Speaker, I will take your ruling. I assure you that I am focusing very much on changes to family assistance payments, including reforms to the way that the CDEP scheme will be administered. An important point with regard to the context of this bill is that, while CDEP will cease from 1 July and will be replaced by the new arrangements contained in this bill, the language of the government has been about new community support programs being introduced into urban and regional locations—such as the mid-North Coast of New South Wales, with its significant Indigenous population—to increase social inclusion and community cohesion. The program would function as a vital link in supporting Indigenous community members in accessing information and services, including through Centrelink, Mr Deputy Speaker. This would be a separate program from CDEP.

It is on this front that I want to start making some noise, and I hope that members on both sides will want to make some noise too and begin to flush out some detail on where, when and how that community support program will be delivered. Will it sit alongside a universal employment service and turn the reform program that we are seeing through this legislation—the dropping of the CDEP—into a universal employment service that basically blends Indigenous policy with mainstream policy? This is accepted by both sides of this House. But where is this community support program? It is time that we started to see the detail of this proposal. We are not far away from seeing very real changes on the ground that will effect some very real outcomes in many people’s lives. I ask the government to start spelling out in detail where, when and how this community support program will fall into place. How is it going to be accessible to communities such as those on the mid-North Coast?

It is of great concern that we are involved in geographic discrimination—and this will be my final point—and it does link into the concept of the intervention, which is also referred to in the family assistance bill. We talk a lot about discrimination in this place but we do not talk a lot about geographic discrimination. If we go back to why the Northern Territory was picked for the inter-
vention, it was for constitutional reasons as much as for any other reason. In a lot of cases, we are seeing government resourcing and funding drifting away from regions such as the mid-North Coast of New South Wales, with its high Indigenous population. It is concerning to see the development of geographic discrimination, where some people are being treated differently from others in Australia. That is a concern held by me and I hope it is held by many members of this chamber. There should be some underlying principles in this chamber that we are all shoulder to shoulder on. For example, retrospective legislation in all its forms should be one issue that we are all shoulder to shoulder on in trying to avoid and stamp out. Likewise, we should be shoulder to shoulder on stamping out all forms of discriminatory policy. This is not soft; it is not wet; it is a fundamental principle that we should all uphold. We should work as hard as we possibly can to make sure that, where policy is concerned, everyone in this country is treated the same.

I would hope that is something that is considered when we are talking in the future about interventions into the Northern Territory and when we are talking about Indigenous and non-Indigenous reconciliation. I hope that they are principles that are not only important to the mid-North Coast of New South Wales but also to every single member in this chamber. So I certainly do not oppose this legislation but I do flag that the changes on the ground on the mid-North Coast are causing concern with regard to the CDEP scheme. Unless we see the new horizon soon it is going to be a point of criticism, because the language of government in this reform program has been good; we are now starting to look for the practical delivery and the detail.

Likewise, with regard to the intervention it looks as if both sides of this chamber are now starting to form a common view that aspects of discrimination are okay. I would hope that that is something that pricks the conscience of every single member of this chamber when they think about the intervention into the future. Why is it in the Northern Territory in particular and how can we best develop policy for the future that achieves outcomes that we all want: better statistics, closing the gap and reconciliation? But how do we do that for all Australians, not just for those who can be picked off due to constitutional arrangements?

Mr LINDSAY (Herbert) (10.39 am)—I find myself not completely agreeing with the member for Lyne. I certainly have a very significant Indigenous population in my electorate—much bigger than he would have in his electorate. Over so many years now I have been very closely associated with Indigenous Australia. I have formed a view that perhaps it is time in Australia when we should be calling a spade a spade, in that the world is not black and white; there are shades of grey. When it comes to having a non-discriminatory policy across Australia, that is a fine aspiration but in practice perhaps it is not the right way to go.

I was at Challenger mine two weeks ago, 740 kilometres north-west of Adelaide in the desert. The mine pays Indigenous Australian landowners one million bucks a year. I said to the company, ‘Where does the money go?’ And they said, ‘We don’t ask.’ What actually happens is that it disappears and the terrible plight of some of our Indigenous brothers and sisters never improves. That is wrong. Perhaps under a non-discriminatory policy nothing will ever change. It needs to change. People need to be uplifted from the conditions that they are in. So I do not find myself in complete agreement with my colleague and corridor neighbour the member for Lyne.

In relation to CDEP I think it has been an abject failure, in the main. Where CDEP has
been used on Palm Island, a lot of money goes into CDEP but, again, nothing changes. You do not see improvements in the community. The government spends its money—very significant amounts of money—in the Palm Island community but the community does not benefit from it. The participants do not benefit from it. That surely is a waste of taxpayer resources—but, more than that, it is not uplifting the people of Palm Island. It is not getting them a job.

Mr Oakeshott interjecting—

Mr LINDSAY—What is your intervention?

Mr Oakeshott—Come and look at my housing development!

The DEPUTY SPEAKER (Mr S Georgas)—Order! Members will keep their comments through the chair.

Mr LINDSAY—I am sorry. I concede—and I said this in my contribution—that not all CDEP programs are abject failures. Clearly, the member for Lyne has a good program in his electorate. I would love to have it in Townsville but we need to look very closely at these sorts of things and see that they do deliver outcomes and that taxpayers’ money is spent doing what the object of the exercise really is—and that is to uplift and to help our Indigenous Australians.

The Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009 has a wonderful ideal. It is supported by both sides of the parliament. It wants to help the customers of Centrelink rather than complicating and frustrating their lives with certain overpayment systems. You could not disagree with that. Centrelink just gets better and better. Those of us who have been around a little while would remember the old Department of Social Security. What a bureaucratic nightmare that was! Centrelink is now so customer focused, and this measure is just another example of doing better by the customers. It deserves our unqualified support.

Last week, I had occasion to go to Centrelink. No, it was not to seek an income payment! I went to the families processing centre. Centrelink Townsville—and probably Centrelink North Queensland—constantly wins awards for the best Centrelink service in Australia. And I am really proud of our people and what they do in relation to that. When I visited quite unannounced—because I was just there on a routine matter—I stood in the line with every other customer. It was truly remarkable. There was line of about seven people waiting to be looked after and there were three or four Centrelink staff buzzing around, coming to people in the line and saying: ‘What is it that you need to do?’ or, ‘You shouldn’t be in this line; you should be over there,’ or, ‘You can get the information you need by going immediately to this officer.’ So the line quickly processed through. There was no waiting, no delay. The point was that the customer service element was outstanding.

I want to thank Tracy Bruce, who looked after me in the families processing centre. I had a particular form that I was submitting to Centrelink on behalf of one of my family, and she quickly knew and understood exactly what I was asking and what had to be done. She checked with somebody else, the matter got resolved and I was away. Thank you to the staff of Centrelink in Townsville for the wonderful work that you do for my community. It is very much appreciated. I want to indicate my support for the Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009 that we are debating now and I thank the parliament for the time.

Mr MARLES (Corio—Parliamentary Secretary for Innovation and Industry) (10.45 am)—In the 2008-09 budget, the gov-
Government introduced a number of measures aimed at reducing family assistance debts and assisting families to avoid accumulating debts into the future. For many years we have been concerned about how the family tax benefit system can create unnecessary debts for families which can in turn complicate and frustrate a family’s life. Government assistance should make people’s lives easier, not create uncertainty and financial difficulties.

Family tax benefits support more than 2.2 million Australian families, with an annual expenditure of around $17 billion. Families need and rely on this assistance, and the measures in the Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009 will help families receive their correct entitlement and reduce cycles of overpayment and debt.

There are three measures in this bill. The first provides for continuous adjustment of customers’ family tax benefit rate. This allows Centrelink to automatically adjust a customer’s family tax benefit rate following an increase in the customer’s income estimate. The intention is to help prevent reconciliation debts. For people who fail to lodge tax returns, the second measure precludes certain payments. Again, the intended aim of the measure is to reduce the number of existing and newly accrued family tax benefit debts. These debts are known as non-lodger debts. These measures respond to a 2006 report by the Auditor-General on the management of family tax benefit overpayments. The third measure makes minor amendments to the tax file number provisions in the family assistance law to help keep an ongoing and up-to-date link between the Australian tax office and Centrelink.

I note the opposition’s support for this bill and I commend the bill to the House.

Question agreed to.
March, he said that increasing pensions would be a generous measure but that the ability of the government to cover this sort of thing was ‘under enormous question’. That followed what he had said earlier, on 24 February 2009, about the fact that economic circumstances were very different from what they had been 12 months before. He said he wanted to see a fair go for pensioners but:

... you can only give pensioners a fair go if the overall economic condition of the country is sound ...

So we have had equivocation, ambiguity, procrastination and idleness from the coalition in relation to ensuring a secure and sustainable pension system in this country. Now, we are pleased that finally, on the road to Damascus, they have seen the light and they support what we are doing in this regard.

We did commission the Harmer review to look into the adequacy of our 100-year-old pension system. The review found that the full rate of single pension was simply inadequate and it resulted in gross poverty, neglect and hardship for single pensioners and challenges for couple pensioners. It recommended that the ratio of full-rate payments between single and couple pensioners be lifted from about 60 per cent to between 64 and 67 per cent. We are responding to what the Harmer review had to say. The government is providing in this legislation a significant increase of $32.49 for full-rate single aged, disability and carer pensioners. Couple pensioners are also being helped, with $10.14 for full-rate couples combined.

Now, why is that important? It is important for my electorate of Blair, in South-East Queensland. The statistics really are quite stark. I have in my electorate, according to the latest figures, 7,940 people on the aged partnered rate and 6,478 people on the non-partnered rate. In terms of the carer payment, we are doing a lot for carers as well. I have in my electorate 867 people on the partnered rate and 422 on the non-partnered rate. With the carer allowance, the figures are 3,075 people on the partnered rate and 1,302 people on the non-partnered carer allowance. That is 23,490 people in my constituency, which has, according to the latest figures, about 93,500 voters and about 150,000 men, women and children. So you can see what a difference this change will make for the economic security and the lifestyles and futures of so many people in my electorate in Queensland.

But it is Labor governments that have made a big difference. The Whitlam government, when Bill Hayden was social security minister, increased the percentage of the pension vis-a-vis what we now call MTAWE. The Hawke-Keating government did the same when they got in. And it has been left to the Rudd Labor government to do the same. So it is Labor governments that make significant pension reform and lift the standards, lift the economic circumstances of pensioners. To ensure the pension remains at adequate levels the Rudd Labor government is legislating a new MTAWE benchmark of 27.7 per cent for singles. That is up from 25 per cent. That will make a significant difference to people in my constituency.

We know that most Australians are going to have to rely on a pension—we know that. We know our parents and grandparents and those before them have had to rely on pensions. It is a mark of our compassion, our decency and our humanity as a society that we have an adequate pension system—and we should have one. A strong safety net is needed simply because it is fair and equitable. Despite the global recession we need to ensure that our senior citizens, those with disabilities, those people who are carers, have the kind of financial support that will get them through the difficult times.
We know that the demographic changes in this country will be enormous, and we know that the cost of pensions will double as a percentage of GDP by 2050. But that does not mean to say that we cannot tackle the challenges in relation to this. To ensure we have a strong safety net it is crucial for what we hope to be as a country in the decades ahead. I support lifting—gradually, of course—the age pension qualifying age from 65 to 67 from 2017 and an increase in the income test from 40c to 50c with respect to the tapering. These reforms reflect the Harmer report’s findings. We are responding to the independent advice. There are other changes that are being made as well.

But I am pleased so much for those pensioners who have come to see me, who see me at my many mobile offices around my electorate—places like Brassall shopping centre and Riverlink, Yamanto Village and Winstone Glades shopping centres, and at the many country shows I go to. I will be going to the Kalbar show this weekend, as well as Ipswich home show. I can guarantee there will be pensioners who will come and talk to me in relation to challenges they face each and every day.

I am very pleased also that we are simplifying and increasing flexibility with respect to the new supplement. The four existing add-ons to the pension—the GST supplement, the pharmaceutical allowance, the telephone allowance and the utilities allowance—are being combined in a single pension supplement. That supplement will be paid fortnightly. I think that is an important factor, because pensioners will get the money when they need it, every fortnight, rather than monthly and quarterly. Singles will receive an extra $2.49 per week in the supplement; couples combined, an extra $10.14 per week. That equates to the utilities allowance for couples with the single seniors concession allowance for self-funded retirees. We think that is important. We think it is also important that we roll this increase in the pension out. So this pension reform will operate from 20 September 2009.

On top of that there is the regular indexation. We have new indexation arrangements introduced that more appropriately and better reflect the cost of living increases for pensioners. As part of the government’s reform packages a new pensioner and beneficiary living cost index will be calculated by the Australian Bureau of Statistics. We think it is important to respond to the real cost of living pressures that pensioners have.

But we are not forgetting, and we are not neglecting, our self-funded retirees, who had the commitment, the determination and the wisdom to put aside money to ensure their financial security in the future. They will benefit from these reforms as well. A new seniors supplement for holders of a Commonwealth seniors healthcare card will be introduced from 20 September 2009. The seniors supplement will replace the seniors concession allowance and telephone allowance at the higher internet rate for eligible recipients. That will continue to be paid in a quarterly payment. The seniors supplement for a single person will be 66.33 per cent of the seniors supplement for a couple combined. That is important, because that is a good add-on for them. So we are making changes that we feel are important.

I mentioned the taper rate earlier, because I think that is important as well. From 20 September 2009 the pension income test taper rate will increase from 40c to 50c for each dollar of income over the income-test-free area. I think that is important as well in terms of the reforms that we are undertaking.

The work bonus is also an important reform that we are undertaking. To improve incentives for paid employment—we need to value our senior citizens and those who can
make a financial contribution to our economic prosperity and development in the future—the government is introducing a work bonus. Employment income will be treated concessional as part of the changes to the income test. Fifty per cent of the first $500 of fortnightly employment income will not be assessed as part of the income test. That means that those people who are receiving the work bonus will receive a maximum benefit of up to $125 per fortnight.

Earlier, I mentioned the age pension age increase. I know that it is a challenge for those who work in manual labour. But we have got to accept that our longevity is very different from 1909. People live longer and that is great. They want to live active, healthy lives and we need to acknowledge the fact that if we want a sustainable system in the future we need to face these challenges. It has been faced overseas in Europe and other places, where the pension age is increasing. So all we are doing here is meeting that challenge to secure a sustainable pension system.

There is going to be an increase in the age pension age from 65 to 67 at a rate of six months every two years, beginning in 2017 and reaching 67 by 2023. The first individuals affected will be 57 on 1 July 2009. They will have to wait an extra six months to qualify for the age pension. People aged 52½ on 1 July 2009 will be the first to have an age pension age of 67 years.

These are important changes. My electorate of Blair has many challenges—challenges of growth with young people coming to the area but also older people who have worked in industries such as coalmines, railway workshops, woollen mills and other areas of manufacturing. There are also people who have worked on farms and people who have given their lives to small businesses. They face big challenges. We ought to give them what they deserve. We need to do it. It is important to sustain our pension system in the future if we are to be a fair and just society, a society that believes not just in prosperity but in equity. We need to do this and I commend the bill to the House.

Ms BURKE (Chisholm) (11.01 am)—I rise to support the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009, which is before the House today. The 2009-10 budget contains many significant measures aimed at pulling Australia out of the global recession and securing our long-term prosperity. It is one of the toughest and most important budgets in a generation. The global recession, combined with the increase in middle-class welfare under the previous government, has meant that we have had to make hard decisions—many difficult decisions to ensure the long-term integrity of the Australian economy.

This budget also provides an opportunity to address important and long-overdue social reforms enabling the establishment of a paid parental leave scheme and the reform of our pension system. The secure and sustainable pension reform package prepares Australia for the difficult social and economic challenges of the future, including the issue of our ageing population. In delivering these reforms we are seeking to address three key issues with the current pension system: the inadequacy of pension payments, particularly for single pensioners; the overly complex and restrictive nature of supplementary payments and allowances; and the unsustainable structure of the system for the long term.

My electorate of Chisholm is home to about 20,000 age pensioners, disability pensioners, carers, special needs pensioners and veteran income support recipients. These reforms will make a genuine difference to the lives of each and every one of these pen-
sioners. They will benefit not only from the increased payments but also from the fact that these reforms make the system simpler, fairer and more flexible. Of course, in delivering these reforms we are picking up the slack from the Liberal and National parties, whose chronic neglect of pensioners over 12 years is there for all to see. It has been left to the Rudd government to implement the necessary reform and provide relief to pensioners during the global recession. Only a Labor government can appreciate that tough economic conditions are not an excuse for ignoring the plight of Australia’s 3.3 million pensioners. The conservatives have proven that they lack the understanding and ability to deliver such reforms. In raising pension payments and reforming the system the government are directly assisting those in need, but we are doing so in a way that is sustainable; we are doing so in a way that deals with the challenges of an ageing population; and we are doing so in a way that will secure the integrity of Australia’s pension systems now and into the future.

The centrepiece to our secure and sustainable pension reform is the biggest increase in the single pension ever seen in Australia, an additional $32.49 per week for age, disability and carers pensioners on the full single rate. This is in addition to the assistance being provided to pensioner couples, who will be receiving an extra $10.14 for the full rate couples combined. This is an important increase that will ease the financial stress for single pensioners rights across Australia. In line with the Harmer review it lifts the ratio between singles and couples pensions from 60 per cent to 66.33 per cent combined—that is, two-thirds of the combined couples rate. To many of us $32.49 per week may not sound like a lot of money. It is, however, a significant investment by the government and its impact on the lives of single pensioners cannot be underestimated. To assume that a single can live half as well as a couple has been the basis of the pension for a long time. But ask any pensioner who is living on their own out there and they will tell you that they are not doing it a lot cheaper than a couple. This measure has picked up recognition of that fact.

Just last week I had the pleasure of hosting a morning tea for a wonderful bunch of seniors from the suburb of Glen Waverley in my electorate. I have been staggering these morning teas around my electorate. Like the Deputy Speaker, I have got a fairly ageing community in my electorate so I cannot invite them all at once because there would just be too many people coming along. So we had about 100 people turn up to a morning tea and it was a fantastic day, full of interest. We discussed many, many things, from the international implications of climate change to local planning issues. You do not get to specify in these environments what is and is not the bailiwick of a federal member, and you discuss everything. Naturally the pension system was one of the more prominent issues discussed on the day. To quote one constituent, a woman who I have never met before—she has been in contact with my office but she is not a party member and certainly was not put there as a plant by me: ‘This government have provided more in their first term to pensioners than the other mob did for 10 years.’ She went on and gave some more flattering praise and I was pretty happy she had come. But, on the whole, for most of the day this sentiment was echoed by the majority of people in attendance on the day. Several were quite vocal in thanking the government for permanent increases in their pension as well as the additional stimulus money provided in December last year. It was terrific to see these people concerned not just about themselves but about future generations. We had quite a long discussion about the Building the Education Revolution
and the issue of providing more money for education as well.

It is important to note that these payment increases are supported by the findings of the government’s Harmer review. It is a responsible measure and above all a considered increase that will alleviate some of the day-to-day financial stresses facing our pensioners. It is delivering reform in an area where our predecessors stalled for 12 years, fully aware of the challenges facing the pension system but failing to implement any serious reform.

As a fiscally responsible government, we have to ensure there is a mechanism to pay for the increase in pension payments. That is why we have to ensure payments within the pension system are financially sustainable. In doing so, we need to be mindful of the challenges Australia faces as a result of our changing demographics, particularly the fact that we are an ageing population. Indeed, by 2050, the balance between old and young Australians will have changed significantly. One in four Australians will be 65 or older compared to around one in eight today. Our life expectancy will be somewhere in the 90s. These factors are why the government is taking the tough but responsible decision to progressively increase the age pension qualifying rate to 67 years from 2017. This is, indeed, a tough decision but a necessary thing to do.

Even the opposition agree that the qualifying age needs to be increased, although they failed to take action while they were in government, despite conducting two comprehensive intergenerational reports on the very subject. This is an issue not confined to Australia. Many other countries have increased or are planning to increase the pension age in light of their ageing population, including the United States, Germany and the United Kingdom.

This is a vital reform that ensures the pension, while providing an adequate standard of living for pensioners, can be afforded by taxpayers into the future. The gradual introduction will allow affected individuals time to plan for their retirement. As the financial adviser Noel Whittaker has put it:

All they—

the government—

are doing is raising the age at which you can apply for a pension from 65 to 67. As it affects only people born after January 1, 1957, they have at least 15 years to prepare for it.

In other words, these reforms are not dictating the time at which a person is able to retire, as some in the media would have us believe. Additionally, by 2023, when the new age pension is implemented in its entirety, working Australians will have had 30 years of the superannuation guarantee, introduced under a Labor government, to build our own private retirement savings. So it is incumbent upon us as government to ensure the integrity of the super system over time so we are not putting a double impost upon people seeking to retire.

There are around 20,000 pensioners in Chisholm who will immediately benefit from the increased payments legislated for in this bill. Aside from that fact, an objective observer looking over the data for my electorate may come to the conclusion that many of my constituents may not benefit from the pension system as much as those in other electorates across Australia. This is true to an extent. Chisholm covers suburbs in the east of Melbourne that have certainly grown in affluence over the past decade or so. Many seniors in Chisholm have built up strong earnings over the years and are classified as self-funded retirees. One of the stark realities of the global financial crisis, however, has been that the superannuation investments of this group have taken a huge hit. This was an
area of discussion at my seniors morning tea, as I do have many people who are self-funded retirees in my electorate who have sacrificed over the years to ensure that they have a substantial retirement investment to live off. They are finding it harder and harder and they are finding that they are dipping into capital more and more to make ends meet.

The *Australian* newspaper reported on Tuesday that, despite staging a remarkable recovery in April of 3.06 per cent, the strongest monthly return this century, most super funds are expected to post a financial year loss for the second year. At the end of April the returns of balanced super options for this financial year were down an average of 13.71 per cent. This is a savaging of the retirement savings of many self-funded retirees. Indeed, my office has received a large amount of correspondence from self-funded retirees who are understandably quite disturbed to see their investments spiralling downwards as a result of the global recession.

This highlights the importance of there being a strong safety net underpinning our income support system both now and into the future. This safety net comes in the form of our pension system. Every Australian knows that they could one day be forced to rely on a pension, a fact that has been made all too obvious by the global financial crisis. Again, many people are coming into my office quite perplexed and distressed at actually having to go into a Centrelink office for the first time in their life to seek a part pension. But I am certainly encouraging people to continually look at their retirement statements, their investment statements, because they may be entitled to some part pension, which goes part of the way to assisting predominantly with a reduction in utility bills. But everything helps at this point in time. This means that introducing the reforms outlined in this bill before the House today is essential.

We all know that carers make significant sacrifices looking after those who are incapable of caring for themselves. The parliament has just recently handed down a pretty seminal report into carers. I want to commend the committee for doing that work. We often do not hear of the great work of the committee system. This demonstrates the parliamentary committee system working in action. The carers report is a terrific document.

One of the most important and widely welcomed measures in the Secure and Sustainable Pension Reform package is the introduction of an annual $600 care supplement payment. This payment replaces the previous ad hoc carer bonuses and will allow carers to manage their own financial circumstances. Within my electorate, like many others across the country, I have many groups that come together under the banner of carers. One group that meets regularly in my electorate is a stroke support group. The stroke support group was started up by an amazing person within my electorate, Helene. Helene for the past 20 years has been caring for her best friend, Diane. She is not a family member—not a relative, not a child, not a husband. Her best friend, Diane, had a stroke at a very early age which left her completely incapable of looking after herself. The only option for Diane was to go into a nursing home. Helene would not hear of this and changed her home, which has accommodated this amazing duo over these years. It was an interesting exercise at the beginning of this experiment, because it was quite unusual that someone with no relative relationship whatsoever to an individual had taken on the primary care role of that individual. Helene has suffered through cancer herself, and Di has had ongoing medical issues, but the two of them have managed to
stay in the home all this time, managing to continue to see their children and grandchildren. My hat has always gone off to this remarkable woman—indeed, this remarkable pair of individuals, who have demonstrated that you can do it, but it does come at a rather large cost.

This payment will be of great assistance to those sorts of people. This payment will ensure that people can maintain their dignity within the home and it will not be this ‘will I or won’t I’ experience each year. It means they will be able to budget more effectively and plan their household finances and expenditure with an added sense of certainty. In Chisholm there are over 2,000 carers who will benefit from the annual supplement payment. Nationwide there are approximately 500,000 eligible for the payment. Through this reform the government is recognising the selfless contribution carers make to the lives of the most vulnerable in our community and the fact that many are under significant financial pressure.

Just outside my electorate, in the adjoining electorate of Deakin, there is another terrific institution. The MS Society is housed there and so is BrainLink. Again, a big part of these two organisations is caring for the carers. People with an acquired brain injury fall into a fairly stressful category of people in need and are often young people who will need care for a very long time. BrainLink provides an amazing array of services and support. I have had the privilege of meeting some of the most dedicated and phenomenal carers through that group. I know that this assistance has been greatly welcomed by that group.

This bill implements key elements of our Secure and Sustainable Pension Reform package. These are long overdue reforms. They are reforms that improve the adequacy of the pension system, make its operation simpler and more responsive and secure its long-term sustainability. Age pensions, disability pensions, carers, wife pensioners and veteran income support recipients will all benefit from increases in their pension payments. Just as importantly, this bill ensures Australia will be in a position to meet future demographic challenges, including our ageing population. It introduces reform that will ensure the long-term durability and integrity of our pension system. I commend the bill to the House.

Mr SIDEBOTTOM (Braddon) (11.15 am)—It is great to be able to rise in this place and speak on legislation that is well and truly overdue and that is going to assist people in need both now and into the future. It is a genuine reform, and I congratulate the government and, in particular, the minister responsible. The Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 implements key elements of the government’s Secure and Sustainable Pension Reform package, announced recently in the 2009 budget. The reform package improves the adequacy of the pension system—long needed—makes its operation simpler and more responsive to pensioner needs and, importantly, secures its long-term sustainability. It is in every sense of the word needed and it is very much a reform. It prepares Australia to meet our future challenges, including the ageing population. That is something often spoken about, particularly in this place, but in reality something we have done very little in substance to prepare for.

In addition to providing a significant increase in payments—again, much needed—the reforms will make the pension system simpler, fairer and more flexible. Australia’s 3.3 million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients will benefit from increases in their pension payments. This
government has acted to introduce long overdue reforms to make the pension system simpler and fairer. Finally, the reforms guarantee an adequate and sustainable standard of living for the aged, carers, veterans and people with disability who rely on the pension to survive. As I say, it has been long coming and much needed.

For the record, the age pension was first paid in 1909 and this year marks the centenary. The age pension is the largest-spending Commonwealth own-purpose program. The Australian government spends, for the record, around $28 billion per annum on the aged population. I think it is important to put these reforms into context, and I think it is worth noting again for the record some of the demographic changes we have experienced and will experience into the future. It makes for not just interesting but very sobering reading. By 2047, some 7.2 million Australians will be aged over 65. That will represent 25 per cent of the expected population, which is almost double the current 13 per cent. Unless we act now, the demands—both economic and social—on this nation will be even more extraordinary. Currently there are around five people of working age to support every person aged 65 and over. This will more than halve to 2.4 people by 2047. That has considerable implications—again, both socially and economically. Increasing longevity, whilst good, in the main, personally, means that people are receiving the age pension for far longer than in the past. Demographic change means that the costs of a given pension increase today will almost double as a share of gross domestic product by 2050.

So reform is much needed. It is needed now so that we can have a sustainable system into the future. The government has made important reformative decisions. In some instances, they were tough decisions and have not been greeted universally with acclaim. But they are needed. One reform is progressively increasing the age pension qualifying age to 67 years from 2017. We are not alone in this. A number of countries in Europe as well as the United States and others have progressively moved their pension age to 67 and even beyond. That is in recognition not so much of the economic issues associated with it but the fact of life that people are living longer. They are healthier and their demands on services will increase as they age.

Also the reform package will ensure that the pension increases are targeted to those who most need them. Again, this is a vexatious issue because there will always be people who will miss out. That is a fact of life and a fact of economic life. This package seeks to introduce what will be for some an unpalatable element of reform.

We want to support ongoing workforce participation by aged pensioners. Turning 65 does not mean you either want to cease to work or are incapable of working. We need incentives built in to keep people participating in the workforce for a variety of reasons but not to their detriment in terms of entitled economic return.

We did not need to be told that something needed to be done about preparing for the future and looking after our pensioners. I do not want to try to score political points too much on this, but I must raise it, seeing as it has been so ungraciously thrown at us while we are introducing this reform. Those opposite have only recently come to the conclusion that pensioners need an increase in the pension. It took us 18 months to realise it; it took them 12 years to dream it up.

I find it extraordinary that those opposite beat their breasts, wring their hands and carry on with this unctuousness when in actual fact we have decided to do something about it. We are doing something about it and
we are doing it in a considered way. The Harmer report looked at this in the short term, the intermediate term and the long term, and we have come up with this package of reforms. I congratulate this government and the minister.

It is quite extraordinary for that mob opposite to be pointing the finger and saying, 'It isn’t enough. It doesn’t go far enough. What about these people? What about that?’ I know they will be on their feet very soon saying what a fantastic package this is and that they are going to support it. They ought to support it because they talked long and hard about it but did nothing about it. But we are doing something about it.

Let us get onto the good news about this package. First and foremost it is going to increase the pension. Single pensioners will receive an increase of $32.49 per week, comprising a $30 per week increase in the maximum basic pension rate and a $2.49 per week increase in the pension supplement. The effective MTAWE benchmark for the single rate of pension will increase from 25 per cent to 27.7 per cent. The single pension rate will increase as a proportion of the combined couple rate from 60 per cent to 66.33 per cent of MTAWE. That was a recommendation of the Harmer report. Couples will receive an increase of $10.14 per week for a pensioner couple combined, comprising no increase in the maximum basic pension rate and a $10.14 per week increase in the pension supplement.

How have we gone about ensuring the long-term sustainability of the pension system? First and foremost, income test rules will change to better target pension increases. The rate at which the pension is withdrawn for each dollar of additional private income will be increased from 40c to 50c in the dollar for income above the free area, which is currently $138 per fortnight for a single pensioner and $240 for a couple. All existing pensioners will have existing entitlements retained in real terms. The qualifying age for the age pension will progressively increase at the rate of six months every two years, beginning in 2017 and reaching 67 in 2023.

How will we ensure that pensioners benefit from paid work? A work bonus for older Australians who continue to work past age pension age will be introduced. Fifty per cent of the first $500 a fortnight of employment income will be disregarded when calculating assessable income for pensioners over age pension age. The Pension Bonus Scheme will be closed to new entrants from 20 September 2009. Existing members of the scheme will continue to accrue entitlements under the existing rules.

Finally, what about simplifying the payments? The government will combine the GST supplement, the pharmaceutical allowance, the utilities allowance, the telephone allowance at the higher internet rate and increased assistance into a single, easily understood pension supplement that will be paid fortnightly.

That is the nub of the reform package that this government has put before the Australian people and this parliament. I am very pleased that we have been able to do that and that we have addressed the short-term need, particularly for single pensioners but also for all pensioners, by increasing the pension. We have also set out a system which will index it fairly at a higher rate than currently exists, and we will continue to look at the indexing methods.

There are 20,098 pensioners in my electorate. I have an ageing population in my electorate. It is one of the oldest in Australia. I know that this increase in the pension has been gratefully accepted and acknowledged. I know that it would be great if we could
have paid even more, but we have put the system on a sure footing for the future so that people can be certain of not only what they are going to receive but how they are going to receive it, and we will continue to work at providing this system in a much more flexible way. So it is with pleasure that I support this legislation. I look forward to its implementation and its hasty and speedy passage through this House and the other place.

Mr ADAMS (Lyons) (11.30 am)—It is a pleasure to follow my colleague from Brad- don. I congratulate him on his speech and on representing the pensioners of his electorate. It is marvellous that it is this side of the House, the government side, that is supporting this Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 and people from the other side have dropped off from speaking on it. My colleague pointed out that for 12 long years people in the pensioners area were promised things like little bonuses here and there, but really there was nothing of substance done to increase the pension. It has taken a Labor government to do that in a real way, and in a lot of depth, with some reforms that will continue for a long time and be substantial for many people that have reached the time in their life when they need to retire and access a pension from govern- ment.

This legislation is a part of that reform package which will certainly improve the accuracy of the pension scheme, make its operations simpler and more responsive to pensioner needs, and secure long-term sustain- ability. This comes as a result of Harmer review, which developed 30 findings across five major areas. They were: the adequacy of the rate of the pension; the amount paid; indexation arrangements for pensions, and we have increased that in this bill; the design and the delivery of the pension payments, how they are delivered et cetera; the conces- sions and the services that support the pension system; and the targeting and long-term sustainability of the pension scheme, the generational changes, the changes that we need to look at as a nation. We know the other side squibbed that back in their time in government. There is a need to prepare Aus- tralia to meet future challenges. That includes our ageing population. We know that many other parts of the world are looking at this as well and having to come to grips with this. I will touch on a bit of that later.

Currently we have in Australia 3.3 million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients. In the electorate of Lyons in that great state of Tasmania I have 19,112 people on pensions. They are broken up according to age partnered rates, age unpartnered rates, carers, non-partnered carers, people with disabilities and people with disabilities who are not partnered. There is a whole range of different groupings.

The pension reforms in this bill implement reforms in the social security and aged-care area. A further bill will be introduced later, I understand, with pensioner reform measures for veterans and their dependants. So we look forward to that bill coming in as well. These reforms are really necessary to try and tackle the reality of our ageing population and the challenges that this presents, but we need to try and maintain the system’s enduring strengths. It has been around a long time.

It is interesting to note that the age pension was first paid in 1909. This year marks its centenary. So it is quite an anniversary to have this bill in the parliament this year. The Department of Social Security noted in the Australian yearbook in 1988 that at the turn of the century there was no social security system in Australia. Charitable relief was provided to needy persons by voluntary or- ganisations, in some cases with the assis-
tance of government grants. These were the people of Dickensian times, of poorhouses and charity workers who often hindered rather than helped social disadvantage. You had to be the right sort of needy person or reach a certain standard or whatever to receive some help. People made judgments about other people in a social way about whether they were entitled to some help. I guess that is what drove some reforms in that area. The main areas of need which attracted charitable assistance were the sick, poor, neglected children, old people who were destitute and women who had become deserted or had fallen pregnant. The unemployed were assisted by grants of wages or rations in return for relief work provided by government.

The Commonwealth of Australia was formed on 1 January 1901, with the Federation of our six states under a written Constitution—which was basically written by a Tasmanian—which, among other things, authorised the new Commonwealth parliament to legislate in respect of age and invalid pensions. In the event, the Commonwealth did not exercise this power until June 1908, when legislation providing for the introduction of means tested, flat rate, age and invalid pensions was passed.

The new pensions, which were financed from general revenue, came into operation in July 1909 and in December 1910 respectively. This superseded state age pension schemes which had been introduced in New South Wales and Victoria in 1900 and in Queensland in 1908. It also superseded the invalid pension scheme introduced in New South Wales in 1908.

The new pension was paid to men at the age of 65 and it was paid to women at the age of 60—but not until December 1910. The age pension was also subject to a residential qualification of 25 years, which was reduced to 20 years shortly after its introduction. A residential qualification of five years applied to the invalid pension. The pension age has been set at 65 for the last 100 years. For 100 years we have had a retirement age of 65. Now, 100 years later, we are looking at it in possibly another way.

When the age pension was introduced, a man was expected to spend an average of 11 years in retirement. By 2017 it is projected that the average number of years in retirement for a 65-year-old man will have increased to 19.5 years. By 2017 a woman of the same age is expected to spend 23½ years in retirement. This is a changing situation which we need to give consideration to as we look at policy in this area.

To ensure that our pension scheme can maintain strong sustainability into the future, we need to increase the age pension. The government has picked the year 2017 as the start of this new pension age eligibility, and it will increase by six months every two years after that until it reaches 70 years of age by 2023. The changes will not affect current age pensioners. Only new entrants to the pension scheme from 1 July 2017 will be affected. This will allow those who will be seniors by that time to plan for the future. It helps us look at many things that have to be looked at in coming up to that.

Nowadays it is the largest Commonwealth program and we spend something like $28 billion per annum on the age pension. There have been some changes to the income test rules to better target pension increases to ensure the long-term sustainability of the pension scheme. From 20 September the new package will deliver a total increase of $32.49 a week for singles on the full rate and $10.14 a week for couples combined.

The increase will be delivered via a $30 increase in the base singles pension and the addition of $2.49 per week in a new pension
supplement. This includes the value of the following payments: the GST supplement, the pharmaceutical allowance, the combined telephone and internet allowance and the utilities allowance. For couples the extra is a part of the pension supplement.

I have to talk about how there seems to be the view that it might be hard on couples. The Harmer pension review found that the pensioners most in need of additional assistance were single pensioners. They had similar costs to those faced by couples but they only had one income to pay the bills and meet their needs. The report found that the pension rates do not fully recognise the costs faced by single pensioners living alone and the approach of paying ad hoc bonuses did not provide the financial security that it should. From September 2009, single pensioners will receive two-thirds of the rate for couples. Bringing it up to that level is a very good achievement.

On the same date there will be a cost of living index rise which will also help the base rate. These new index arrangements will be introduced to better reflect the cost of living increases for pensioners. As part of the government’s reform package a new pensioner and beneficiary living cost index will be calculated by the Australian Bureau of Statistics. The new index will measure increases in the living costs faced by pensioners and beneficiary households, which can be different from those faced by other households. It is a very interesting piece of work that is now being put into these reforms. This index will be more responsive to change experienced by the recipient householders, where the out-of-pocket living costs have moved faster than the rate of changes measured by the consumer price index in the living costs of all households.

Pension rates will also continue to be benchmarked to the male total average weekly earnings from 20 March 2010. A new pension benchmark for the maximum combined couple rate of the pension will be introduced. It will be 41.76 per cent of the annualised amount of the male total average weekly earnings rate. The single rate will be set at 66.33 per cent of the maximum rate payable to the combined couple, an increase of 2.7 per cent on the current benchmark. For those who choose to undertake paid work to supplement their pension, a new work bonus will be introduced to help age pensioners keep more of the money they earn from work. That is another really good reform by this government. The work bonus will provide concessional treatment of employment income under the income test for pensioners over the age pension age. Incomes will be assessed fortnightly for those pensioners, then half of the employment income, up to a maximum of $500 per fortnight, will be disregarded in the income test. So only $250 will be taken into account and therefore the pensioner will be $125 better off per fortnight. There are a number of other critical changes and some of these will be the subject of other bills. But these major changes will take us into the future. We still need to ensure that those who want to work can do so and that those who have put aside for their self-funded retirement can survive on their income, possibly with some assistance from government. Of course, as we look at an ageing population, there will be other needs as well.

There are a large number of pensioners and people on lower incomes in the electorate of Lyons, by the very nature of the constituency, being rural and relatively short of services, like other regional areas of Australia. I heard the member for Lyne talking about regional Australia earlier. He focused on some of the problems that we face in some of our constituencies with regard to services and the feeling of being left out.
Being ‘left’ in the country is one of our problems. In my constituency people have been left as they age because they cannot really afford to sell up. They cannot get a return from their house in a country town that would allow them to move to a bigger regional centre where maybe their children have moved to. So you end up with a shrinking population base and therefore shrinking service delivery from health and other services. This is an issue that always needs some consideration.

There is little public transport in my electorate. Many pensioners have to rely on an assortment of community cars to get them to the city for medical appointments. They more often make up the public hospital waiting lists for surgery or dentistry because they cannot afford private health insurance or they gave it up when they finished their employment. Though many of the pensioners in my electorate keep a good garden, there is still a difficulty in buying meat and fish, as it is expensive when you go to the smaller retail sector.

There is also the problem of isolation. As I said, once the children move away, people are often left in their own areas, with a lack of available transport and an inability to drive themselves. Many families have moved away as well. When the time comes to go to the local nursing home, there are some disappointments because there seems to be pressure on many of the smaller nursing homes, which are apparently not viable according to Treasury models. Modelling on regional difficulties done by Treasury and other departments says that unless a facility is at a certain size then it is not economically viable. This is a problem for the nursing home sector and of course for people of pension age. Many of these issues were echoed in the Harmer report findings.

I would like to congratulate the minister and my government for what they have done here. The minister has achieved these changes. I am very pleased to support this legislation and the work that has been done following the Harmer inquiry. This is a great piece of legislation. It will certainly assist many pensioners. It lays down a lot of opportunity for the future. I support the bill. *(Time expired)*

**The DEPUTY SPEAKER (Hon. Peter Slipper)—**I do not have the honourable member for Lyne on the list, but it is the opposition side of the chamber’s call, so I call the honourable member for Lyne. I apologise to the member for Werriwa. He will get the call next.

**Mr Oakeshott (Lyne) (11.51 am)—**Thank you, Mr Deputy Speaker. I will be very brief. I also thank the member for Werriwa for the opportunity to speak on the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. I know he has some very fine students here to listen to his very fine words, so I will be brief. I really just want to alert the government to the ongoing conversation with regard to pensioner reform. I, like the previous speaker, the member for Lyons, certainly welcomed the Harmer review process and welcomed the announcement by the government of some of the changes in the budget. Many of them, I thought, were sensible and logical. The streamlining of the various utilities allowances and supplements into one payment is a sensible reform by government and will assist a lot. There is also the addition in some of the funding to the base pension rates and supplements, and no-one can say that is not a welcome reflection of government recognising the needs and wants of the pensioner community.
On the mid-North Coast of New South Wales, roughly one in three people are pension recipients. Of all 150 electorates around Australia, ours would have one of the highest proportions of people receiving some sort of pension allowance, and therefore this is something that is being watched very closely by many in my electorate. The point I want to make in this debate, whilst not opposing the legislation, is that I sincerely hope that the $10.14 and the $30-odd provided in the budget for various pension rates, and the embedding of the care allowances, which was sensible, are not the end of the discussion by the government, by the executive and in particular by the Treasurer.

There are two examples I just want to put on the table. Firstly, in the next couple of weeks I will be talking with the Combined Pensioners and Superannuants Association from the mid-North Coast, and they have made it very clear that there is disquiet about the levels of funding that were allocated in the budget. The $10.14 supplementary allowance for utilities for pensioner couples has been described as ‘disgraceful’ by the president of the Manning Valley branch of the Combined Pensioners and Superannuants Association. That is one example of post-budget, post Harmer review feedback from a significant lobby group on the ground. Hopefully, therefore, the government’s conversation with the pensioner community will continue.

Secondly, one of the things that all of us here do at various times is radio interviews at really odd hours. Last Friday week I did ABC Radio National at 4.30 in the morning, and one of the calls that came through was from someone who wanted a private member’s bill linking the pensioner rate to parliamentary salaries. Without passing comment on the rights and wrongs of that proposal, I do think it is an example of continuing disquiet about pension rates in Australia.

That should once again emphasise to the government the fact that any announcements that were in the budget, nearly a month ago now, should not be the end of the conversation but hopefully the start of a conversation with the very large pensioner community in Australia.

Now, I know there are many people in this chamber who might see that position as the continuation of a hand being put out by a disgruntled community of pensioners. There may be some who argue that there is this emerging bubble of an aged population and, for economic reasons, any increase in rates cannot happen. But I would hope that the majority of people in this chamber, of all political persuasions, are like me and will argue the case strongly through legislation such as this and conversations with the executive government that it is not a good reflection on Australia or on this chamber that we have any members of our community who are in survival mode. The whole reason that there was so much angst leading up to the election, the Harmer review and the budget was that we were having a conversation with a pensioner community that was on the poverty line, if not below it—and that does not reflect well on any of us.

Once again, I say that I hope that the conversation can continue between government and pensioner communities throughout Australia—and particularly, my direct interest, on the mid-North Coast of New South Wales—so that we can continue to see reform that is not only in the interests of the pensioner community but in the interests of the broader community as well and therefore, by logical extension, in the interests of Australia generally.

The DEPUTY SPEAKER—Before calling the next speaker, the honourable member for Werriwa, I would like to welcome to the House three students from Sarah Redfern
High School in Minto, in the honourable member’s electorate: Tevita Maola, school captain; Lynette Peterson, school captain; and James Papalii, school vice-captain. Welcome, and I hope that you enjoy your visit to the Australian parliament.

Mr HAYES (Werriwa) (11.57 am)—Thank you, Mr Deputy Speaker Slipper, and thank you for acknowledging those three fine students from Sarah Redfern High School. As you indicated, Mr Deputy Speaker, Sarah Redfern High School is in Minto, which is right in the middle of my electorate, and these three students are showing great leadership in the school and great leadership in the community. I think that where members have the opportunity—and I am very fortunate in Canberra not being that far from my electorate—we should invite our future leaders to visit this place and encourage their participation in community leadership.

Today I take the opportunity to lend my support to the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. This bill provides crucial changes in the Australian pension system in order to provide financial security as well as a sustainable standard of living for our aged, our carers, our veterans and those on disability support pensions. For far too long these members of our community have been neglected. They have been part of a previous government’s system that was inflexible and certainly very complex. These members of our community have always been and always will be an incredible asset to their communities generally and they make a significant contribution to our society, yet the former government repeatedly ignored their needs. I mean that. A minister under the previous government even put up a recommendation that the pension scheme be adjusted, and that was rejected. I know from members opposite—and it is not just from this bill but from what occurs elsewhere—that fixing the pension scheme was something they were going to get to after the next election. So, in the 13th year—

Mr Baldwin—You’ve had 18 months.

Mr HAYES—Their 13th year would have been a hell of a time for the Howard government if they had survived. They had lots to do in their 13th year—all the things they did not do between the first and the 12th year that they were in government.

Australia does face becoming an ageing population; there is no question about that. Although the opposition have been aware of this problem—as much as we have been aware of it for some time—they maintained the current pension system. They failed to act on it. They absolutely refused to act on it. While various measures were taken to prop up the system, such as one-off bonus payments—the application of band-aids—the thing that they constantly refused to do in the whole time of their administration was to fix the pension system. What the current government is doing is in stark contrast to what occurred under the Howard government. We are in the midst of a financial crisis and many are concerned about their financial future—I readily accept that—and this government is taking decisive action to strengthen the Australian economy. As the very structure of our nation changes, it is imperative that these measures are taken to strengthen the financial security of the recipients of pension payments. The bill before the House today highlights just how serious the government is about pension reform and how committed it is to it. Given the challenges that the country faces with the world financial crisis, we are still committed to doing something for those of our community on aged, veteran’s affairs or disability support pensions.

The proof is in the pudding. I take the interjection from the member for Paterson. I
think it is 18 months since the last election. But do not forget that last year the government actually did something that the opposition refused to do: we commissioned a thorough report into the adequacy of the pension system. We did not just put it off for another group to do and then reject their recommendations later. We committed ourselves to the Harmer review, which was to look into the adequacy of the pension system. It is the recommendations of that very review which we are acting on.

The year 2009 is the centenary of the age pension. When you look back to 1909—and it is not all that long ago—and to what was occurring on the world stage then, the age pension was not necessarily unique. However, it was significant that a government had the foresight to do something about looking after the long-term welfare of those who were contributing to the nation. As I said, the age pension is 100 years old. It is a Labor government that is now moving that system forward; it was also a Labor government that, back in 1909, under Andrew Fisher, introduced the age pension. We are continuing the tradition of ensuring that we lay the path for the financial and sustainable future of those who contribute to our community.

The Harmer review analysed the basic structure of Australia’s pension scheme, with particular focus on the necessity for effective reform to alleviate poverty and to improve community living standards. The Harmer review emphasised that, at the current rate, pensions did not fully recognise the cost borne by single age pensioners living alone. It went on to note that, even in these difficult financial circumstances, we are required to act—and that is precisely what we are doing with the bill before the House today.

It is not a matter of just another inconsistent approach to another ad hoc payment or another bandaid being applied to the system. We committed ourselves to a thorough review of the system and to look at its long-term sustainability. The existing system needs to have improved transparency; pensions need to be linked to community living standards, because obviously pensioners are affected by price changes. I think that is what the member for Lyne was indicating in his contribution a little earlier. He said that this was a significant position to take in rectifying the pension system. He is still in dialogue—and appropriately so—with the pensioner groups in his area. I am glad that he is in dialogue with them because he represents my mum and dad, who reside on the North Coast of New South Wales.

By 2047—I know that that is a little way down the track—we will have 7.2 million Australians over the age of 65. That represents 25 per cent of the expected population. That is quite a contrast to the current position, which is that those who are over the age of 65 represent 13 per cent of the population. So, in light of that demographic change alone, these reforms are necessary to make the pension scheme simpler, fairer and also to ensure that the pension changes are targeted at those who need them most. I want to focus in particular on the bill’s inclusion of the increase in the pension rate. Throughout the Australian government’s current spend, which is about $28 billion per annum on age pensions, we recognise the need for improved pension payments while also ensuring that those reforms are affordable. The Harmer review found that, as it stands, the full rate of the single pension is inadequate. The ratio of a full-rate payment between single and couple pensioners needs to be lifted from its existing rate, which is calculated at 60 per cent to somewhere between 64 and 67 per cent. That was the recommendation by Jeff Harmer in his review. This bill picks up that recommendation and ensures that the corrections are made.
Through this legislation the government has ensured a substantial increase of $32.49 per week to the full-rate single pension, which lifts the ratio between single and couple pensioners from an existing 60 per cent to 66.3 per cent. The couple pensioners will also benefit from additional assistance of $10.14 per week. These increased provisions will take place along with the regular indexation. The regular indexation will ensure that the value is maintained. It is important to note that these changes to increase pension rates are a direct result of the recommendations made by Dr Jeff Harmer. As I said, the member for Paterson wanted to downplay that aspect but quite frankly that is something that we were committed to. We not only received the Harmer report but are acting on it.

The bill will also further assist those selfless individuals in our community who every day make that significant sacrifice in caring for others. Many of them are under significant financial pressure. As a consequence of previous legislation passed in the parliament a supplement payment of $600 will commence today. After the discussions I have had I know that this will be seen as very significant to carers across our nation. I am sure the member for Shortland has had similar discussions with carers in her community as well. I know about that because one of the regular things that we do as members of parliament—and not just on this side of parliament, as the member for Lyne indicated—is to maintain contact with those people who undertake the selfless work of caring for others. In the outer metropolitan area of Sydney we have a heck of a lot of carers—certainly a lot of people involved in caring for the disabled. That is being recognised. It is something that needs to be recognised because these people do an absolutely fantastic job. Without their contribution, their love and support of the people they care for, society would be much worse off.

I would like to take the opportunity during this debate to acknowledge the magnitude of the impact these pension support changes will have on individuals. There are approximately 3.3 million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients who will directly benefit from these changes across the country. In my electorate of Werriwa alone—Sarah Redfern High School is in the middle of that electorate—I can, with the assistance of the member for Shortland, tell you that there is a total of 17,357 people who will benefit from these reforms. Of those, 10,260 are single age pensioners. I am not sure how that demographic translates across the nation but that is quite a significant part of the population of Werriwa.

To better target these pension increases new income tests will have to be applied. I know—I have read the commentary in the newspapers—that there is some disquiet about that. The member for Lyne talked about some aspects of that as well. To give greater flexibility and ensure that we have a sustainable application of the pensioner scheme into the future we have had to look at targeting those who need it. So from September this year the tapering rate for income above the free area will be increased from 40c to 50c in the dollar. Before people jump up and down and point the finger about that, one of the things we did through this legislation was to look at the transitional arrangements that will protect existing pensioners who would otherwise be adversely affected by the change. Under the provisions that are to apply, people who would be adversely affected by that change will be protected under their existing entitlements, including any increase, until they would be better off under the new entitlement. So people cannot be worse off under those changes. However,
this measure is setting the platform for the sustainable application of this scheme into the future.

As I said at the outset, this legislative package provides extensive changes to the Social Security Act which are long overdue and, more importantly, it is about protecting many of the most vulnerable members of our community. We owe those members a great deal. This government has rectified the failings of the former government in that respect. We have not applied another bandaid; we have set out to achieve a proper structural reform of the system.

Following 12 years of covering up the fact that the single pension was severely inadequate, by using ad hoc bonuses or other means, the proposed amendments in this legislation move to rectify the structure of the pension scheme so that it will benefit all Australians. Everyone, including the students here from Sarah Redfern High School, is aware that one day they may need to rely on our pension scheme. Therefore, this bill sets the safety net to ensure there is confidence in that scheme and that the structure of the scheme will be sound for now and into the future. I support the bill.

Ms HALL (Shortland) (12.14 pm)—It gives me great pleasure to rise to speak in support of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. This legislation will support pensioners and benefit an enormous number of people throughout Australia. The bill introduces a range of measures from the 2009 budget, including measures for the government’s secure and sustainable pension reforms package. The measures in the bill include an increase to the age pension rate; the closure of the Pension Bonus Scheme to new applicants; changes to advance payments; structural reforms and simplification such as providing a new pension supplement and a new seniors supplement to replace a variety of current entitlements; revised pension indexation and benchmarking arrangements, using in part a new pension and beneficiary living cost index to complement the consumer price index—and I will be talking a little bit about that later; revised pension income test arrangements and transitional arrangements to ensure pensioners affected by the income test changes will not be any worse off, which I think is very important; revised indexation and benchmarking arrangements for certain family tax benefit rates and maternity immunisation allowance; exclusion from social security and veterans’ entitlements income tests of amounts received under the Western Australian cost of living rebate scheme and the value of benefits received under the Western Australia country age pension fuel card scheme; changes in regard to aged-care fees; the introduction of new supplement for aged-care providers; and the addition of a new operational area to give individuals allotted for service ‘qualifying service’, entitling them to full benefits under the Veterans’ Entitlements Act.

This reform package improves the adequacy of the pension system, making it operate in a simpler way that is more responsive to pensioners’ needs, and it ensures the long-term sustainability of the pension in this country. It prepares Australia to meet future challenges, including the ageing population. I have to acknowledge the work that was done by former Treasurer Peter Costello in bringing down the Intergenerational report, because that was the first serious consideration of the impact that the ageing of our population will have in Australia. This is the next step in that process. Also outlined by the government are further steps to constantly review and adapt to the changing demographic within this country. Australia has 3.3 million age pensioners, disability pensioners,
carers, wife pensioners and veteran income support recipients, and they will all benefit from these increases in the pension payment.

On many occasions I have stood in this parliament and highlighted the fact that the Shortland electorate is one of the oldest in the country. It has the eighth highest number of pensioners in Australia. I believe that, for the first time in a very long time, we have a government that is seriously looking at the needs of those pensioners. In the Shortland electorate we have 26,592 pensioners. That includes 11,176 pensioners that live in a partnership, 786 single pensioners, 814 carer payment recipients living in a partnership, 441 single carer payment recipients, 3,659 partnered carer allowance recipients, 938 single carer allowance recipients, over 3,000 disability support pensioners living in a partnership and nearly 3,000 disability support pensioners that are living alone. That is a significant number of people that I represent in this parliament. For a very long time I have been being approached by pensioners telling me just how hard it is for them. They were particularly impacted by the GST, and every little cost of living change following that has also impacted on them—to a greater extent than they have impacted on working Australians. Their level of disposable income is lower and they are more vulnerable when there are changes.

For the first time, we have a government that has reviewed the system. It has been 100 years since the age pension was introduced in Australia. The Harmer review, which this legislation stems from, was very much overdue. The pension reform measures in this bill implement the reforms of that review in social security and aged care. The bill really does reflect the recommendations made by Dr Harmer. The government has acted to introduce long-overdue reforms to make the pension system simpler and fairer. As I mentioned, the age pension was introduced in 1909. I think it is also important to mention that the age pension is the largest-spending Commonwealth own-purpose program. The Australian government is currently spending $28 billion per annum on the age pension. That is why, when you make changes, you must make sure they are the right changes.

I know at the time of the Howard government there was a lot of talk about the need for change, but there was no action. What we have in this legislation is action. We do not have ministers going to cabinet and being rejected when they suggest that pensioners be given an increase. We have a very transparent review process, and culminating from that review process we have the recommendations.

I should go over the Harmer review a little, for the benefit of the House. It commenced on 15 May 2008. If we look back to last year’s budget, we had the then Leader of the Opposition, Dr Nelson, clamouring for a $30 increase for single pensioners—no thought whatsoever for married pensioners or partnered pensioners. There was just this flat $30 for pensioners. In February this year Dr Harmer handed down his report. As I have already mentioned, it was really critical in the development of this legislation. During the review process there were public hearings in every capital city and in regional centres. There was a hearing held in my own area, in the Hunter and on the Central Coast, and it received over 2,000 written submissions. In fact, I had pensioners come to my office and we forwarded their submissions on to the review. Dr Harmer was supported by a reference group comprising representatives from seniors groups, disability groups and carer groups; experts in the area of pensioners; academics; and the ACTU. So you can see that it was a very holistic approach to reviewing the pension. I think that, for the first time, we have before us legislation that
is looking at the issues that have been facing pensioners.

There are some challenges in relation to the pension. Going back to the review, it was found that for a very long time pension rates have not fully recognised the costs facing single pensioners, that the indexation rates for pensions need to be more transparent, that there is a complexity of needs that needs to be reviewed and reduced as it undermines the financial security of pensioners and that services that are essential to complement the pension system need to be diverse and respond to pensioners’ needs. Looking at workforce participation, as I have mentioned already, we have an ageing population, so there needs to be incentives to encourage people to work a little bit longer and make it worth pensioners’ while to decide that they will remain in the workforce. So there are very complex issues.

The review found that it was desirable to increase the age pension qualifying age to 67 from 2017. This will be done incrementally, and it will increase by six months over a period of four years. So from 2017 the eligibility age will be increased by six months every two years until it reaches 67 years of age in 2023. So there is quite a long lead-in time; it will not affect anyone who is actually receiving the pension at this time.

I would like to go to the core of this legislation. The bill will be increasing the maximum single rate of pension by $30 a week, or $1,560 a year, from 20 September this year. I must say that, from the phone calls I have received in my office, pensioners are very appreciative of the change. These increases are on top of indexation and any increase in the male average weekly earnings, which would have already been taken into account on 20 September this year. The increase brings the single pension rate up to two-thirds, or 66.3 per cent, of the combined couple rate. Looking at overseas examples and models, that really seems to be the level it needs to be at.

But there is another aspect to the changes that I think is fairly important, and that is the pension supplement. The bill introduces a new pension supplement to simplify the number of supplementary pension payments that are currently available and to provide pensioners with a more flexible way of managing their budgets. Currently, there is the GST supplement, the pharmaceutical allowance, the utilities allowance and the telephone allowance. They will all be incorporated into a pension supplement. The consolidation of these payments will really help pensioners, because they will be paid initially on a fortnightly basis. The pension supplement for a single pensioner will be $2.49, on top of the combination of all those supplements I have already mentioned. For married pensioners the supplement will be $10.14.

I come to the issue of married and partnered pensioners. There has been considerable misinformation put out into the community about the benefits of pension changes to married and partnered pensioners. A local newspaper on the Central Coast has been running articles that actually claim that partnered pensioners will be worse off, and this has developed a life of its own. Partnered and married pensioners will not be worse off; they will be better off. Whilst they do not receive the same level of increase as single pensioners, they will be receiving a $10.14 a week increase and will not have any reduction in their pension supplement. So the very strong message that I would like to get out, not only to pensioners in the Shortland electorate but to pensioners everywhere, is that married and partnered pensioners will not be worse off but will be better off.
In addition to the increases and the change in the way the supplements are paid, there will be other benefits to pensioners, such as the seniors supplement, a payment that replaces the seniors concession allowance and telephone allowance currently available to holders of the Commonwealth seniors health card. It will deliver benefits to that group of seniors in our community. There will be some changes to the pension income test. The test changes from 20 September this year. This is looking at ensuring that the pension system remains sustainable in the long term. This is also looking to make sure that increases go to those who most need them. Existing pensioners will be protected. As the member for Werriwa pointed out, no pensioner will be worse off. The income test taper rate will increase from 40c to 50c per dollar of income over the income-test-free area. I reiterate that no current pensioner will be worse off.

A new work bonus will be introduced for age and service pensioners. This will provide concessional income test treatment of employment income for pensioners over the pension age. This will replace the previous pension bonus scheme. I think it will really benefit people greatly as 50 per cent of a pensioner’s employment income, up to a maximum of $500 a fortnight, will be disregarded from the income test. That will have a long-term benefit for pensioners. The previous pension bonus scheme was quite rigid and there were a number of problems associated with it. I have had people come to see me because they were excluded from that scheme when they should have actually been receiving its benefits.

The final thing that I would like to touch on is indexation. The Australian Bureau of Statistics will develop a new index that will specifically reflect cost of living changes for pensioners and other income support recipients. It will be known as the pensioner and beneficiary living cost index. This will ensure that future increases in the pension will really reflect the needs of pensioners. If the CPI is greater than that index, pensioners and beneficiaries will be given an increase. The legislative benchmark will be set at 41.76 per cent of male total average weekly earnings for couples and at 27.7 per cent of MTAWE for singles. I wholly support this legislation. I think it is good legislation that really benefits Australia’s seniors and pensioners. It is looking to the future to ensure the long-term sustainability of our pension scheme.

Mr ZAPPIA (Makin) (12.34 pm)—I rise to speak in support of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. This bill represents the most significant pension reform that we have seen in this country since pensions were introduced in 1909, 100 years ago. Whilst there is no question at all that over the years there have been some changes made to the way pensions are paid in this country, there would be little doubt that there has never been a single bill that proposes as much reform as this bill does. The reforms are very much long overdue and they are necessary reforms to ensure that Australia’s pension system remains sustainable into the future. I say that because, as most members of this House would know, we face in the future an increase in the number of Australians who will be living beyond pension age. In fact, if I can quote some statistics on coming decades, by the year 2047 some 7.2 million Australians will be aged over 65, representing 25 per cent of the expected population. That will be almost double the current rate of 13 per cent. Currently there are around five people of working age to support every person aged 65 and over. By 2047 this will have halved to 2.4 people of working age supporting pensioners in this country. So we can see that there are going to be significant changes in the demographics
of this nation and that is why we need to adopt now a pension reform package that will be sustainable into the future.

When the Rudd government was elected, it committed to a review of pensions throughout this country. That review was announced by the minister in May 2008 and conducted by Dr Jeff Harmer, and the report was handed to the government in February this year. It is interesting that that very thorough review of pensions attracted over 2,000 written submissions. Hearings were conducted throughout the country, and I think it would be fair to say that almost every organisation, institution and pensioner group around the country made representations and submissions in respect of pensions. I suspect they did so not just because there was an opportunity for them to comment about pensions but because this was one issue that for years and years had been raised with governments and for years and years had been neglected. It came to a head when the Harmer review was commissioned by the Rudd government. The Rudd government is now responding to that review and implementing its key recommendations.

It was interesting to hear some of the contributions from members opposite, with a number of them wanting to take credit for the increases proposed in this bill. I say two things to those members opposite who want to take credit when, quite clearly, they do not deserve to take credit. Firstly, with respect to the increase to the single pension payment in this bill, opposition members had 12 years to do something about that. They had 12 years wherein they conducted their own Intergenerational report—and I understand that they conducted two of those. A proposition was put by Mal Brough in 2007 which was rejected at the time by the Howard-Costello government. They presided over a period—and I quote from figures between 2001 and 2006—when one in three elderly people living alone spent their years in poverty. One in three single pensioners living alone lived their lives in poverty. That is a very damning statistic. Again between 2001 and 2006, 20 per cent of the poor were people aged over 65. Not surprisingly, there was a huge response to the parliamentary inquiry because of the magnitude of the problem and the difficulties faced by pensioners around this country. But members opposite did absolutely nothing for 12 years, other than talk about it. And when they did have a proposition from one of their members, Mal Brough, they rejected it.

The second point I make about their claim to credit for this bill is that this bill goes far beyond just simply increasing pensions for single pensioners. It has a raft of measures in it which will totally reform the way pensions will be managed in this country for years into the future. Whilst I will not have the time to speak about each and every one of those reforms, I do want to speak about some of the critical elements of the bill. Importantly, Australia’s 3.3 million age pensioners—disability pensioners, carers, wife pensioners and veterans income support recipients—will benefit from an increase in their pension payment. That is 3.3 million Australians who will benefit from payments as a result of this bill. That is a huge commitment by the government at a time when we are going through the worst economic downturn since the 1930s. In contrast, when you look at what the previous government did not do, they were going through a mining boom when they were in government.

In my electorate of Makin, 20,700 pensioners will benefit from this increase. Roughly one in five of the voting population in Makin will benefit from these measures. That is a huge number. I have no doubt that this measure will be very much welcomed by the people I represent in Makin. The key elements of this bill and of the increases, as
other members have quite rightly highlighted, are that there will be an increase of $32.49 per week for the single pension and an increase of $10.14 per week for couples combined. I also point out that $2.49 of the singles payment will be paid as an increase in the pension supplement and that the full $10.14 for the combined pension will also be paid in the form of a pension supplement.

What is important about this increase is that, in line with the Harmer review on pensions, the single pension rate will increase as a proportion of the combined couple rate, from 60 per cent to 66.33 per cent of the male total average weekly earnings—that is, the discrepancy in the ratio between the single pension and the couples pension has been adjusted in accordance with the Harmer review. That is significant because one of the critical bones of contention throughout my electorate over the years has been that single pensioners have found it much more difficult to survive on the single pension. That was reflected in the figures I referred to earlier that, between 2001 and 2006, one in three elderly people lived in poverty. But it has also been reflected certainly in the representations that I have received since being elected as the member for Makin and prior to that, in a different capacity, when I was the Mayor of Salisbury and dealing with pension issues on a regular basis. I hear the argument from some people who say that a couple living together also have increased costs but, again, the ratios have now been appropriately adjusted, and this is indeed a significant reform.

There are a number of other significant improvements to pension payments under this legislation. One of those is that a new pension index measure will be introduced which will better reflect the cost of living increases faced by pensioners. Under this change, a new pensioner and beneficiary living cost index will be calculated by the Australian Bureau of Statistics. We know that pensioners are not affected by CPI increases to the same degree as society generally and that CPI increases do not necessarily reflect the cost of living increases faced by pensioners. The CPI is based on a whole range of expenditures which, in many cases, do not pick up on the majority area of expense that pensioners face.

I have frequently been approached by pensioners in the past who have said: ‘Yes, our pension has increased by the CPI. However, the CPI has no bearing on the real costs of living increases that we are faced with.’ I accept that argument, and so did the Harmer inquiry and so did the government. That is why we have introduced this new cost index to increase pensions. Under the new provisions, the higher of the CPI or the new pensioner living cost index will be used to determine pension increase. If by some chance the CPI comes out higher than the new index, it will be the measure that will be used.

A third significant change to pensions is that from 20 March 2010 the maximum combined couple rate of the pension will be 41.76 per cent of the annualised male total average weekly earnings. That is important because it changes what the pension should be in comparison to average male weekly earnings.

Under this bill, there will also be important reforms relating to pension payments and aged-care providers caring for pension recipients. This is another matter that over the years I have heard representations about from both pensioners and aged-care providers on a regular basis. It has been an area which has been a real bone of contention for both sides. Pensioners quite rightly argue against all of their pension payment going to the aged-care providers once they are in an aged-care facility. The aged-care providers, quite rightly—I believe—have argued that
the aged-care pension, because it has not been increased sufficiently over the years, is today not adequate to meet the daily expenses incurred by them in caring for the pensioners under their care. Both sides, as a result of the pensions not having been increased sufficiently, have been struggling and both sides have, I believe, legitimate cases to make.

Many pensioners in age care facilities have their entire pension go to the aged-care provider. What the government was very conscious of was that if there was going to be an increase in the aged-pension—as there was—that it should not all go to the aged-care provider but that some of it should also go to pensioners. So in the case of single pensioners, of the $32.49 that will be given to them as an increase, $10.09 will be paid directly to the pensioner and $22.40 will go to the aged-care provider if the pensioner is in an aged-care facility. That is a fair sharing of the increase to the pension.

It is acknowledged that others may be affected by the measure that increases the daily bed allowance for single pensioners. People like self-funded retirees or part-rate single pensioners who do not benefit from the pension increase may also be faced with that additional increase of $22.40 that is paid to aged-care providers. The government, in recognition of that, has made a provision of some $713 million over the next four years to ensure that those self-funded retirees or part-rate single pensioners are protected from the increase in the daily fees that they would otherwise be charged. For any person who is in an aged-care facility as at 19 September this year, that shortfall will be met by the government.

That money paid by the government will ensure that the aged-care providers throughout this country will receive an additional $713 million over four years. I stress that point because I am sure that other members of this House have also been approached by the aged-care sector seeking to have their daily fees increased and the daily subsidies provided by the government increased. As I said earlier on, many of the aged-care providers are struggling under the current payment arrangements to provide the level of service that they would like to. That $713 million will be welcomed. I am sure, by the aged-care sector. I am sure that it will go a long way to ensuring that they will be able to continue to provide the high level of care that many of them pride themselves on.

Without that kind of money, one of these outcomes is inevitable: firstly, either the aged-care providers would have to provide a lower standard of care; secondly, they would have to try and cut costs in some other way; or, thirdly, they would have to increase the fees that they charge the people in their care. I welcome this measure because it will go a long way in assisting the two sides of what I call the pensioner argument that I have been presented with since being elected to this place.

The last measure that I want to talk about specifically in respect to this bill is that relating to carers. The bill provides for an annual carer supplement payment of $600 for around half-a-million carers across Australia. When I look at the figures, about 850 of these people are in my electorate of Makin. This is not just a single one-off payment but an ongoing annual $600 payment. Unlike the previous government, who would make single one-off payments in response to pressures coming from the community, we are making an ongoing commitment and one that I am sure will be welcomed by carers throughout the country.

A new supplement will also provide recipients of the carer allowance with a $600 annual payment for each person who they
care for. In my electorate of Makin, that will affect about 3,000 people. Quite a substantial number of people will get a very real benefit from these reforms. In fact, more than 95 per cent of carer payment recipients also receive the carer allowance.

The last point I make about these reforms is that these reforms, amongst other things, cover the pension supplement that is proposed as a mechanism to pay for increased household costs as a result of the introduction of the Carbon Pollution Reduction Scheme, which—as we all know—the opposition is opposing.

Under that scheme, the government is proposing to set aside some $6 billion in the form of a household assistance package. That package is aimed predominantly at assisting low-income households with any increases in the costs of living that they incur as a result of the Carbon Pollution Reduction Scheme being introduced.

Interestingly, those low-income households will include pensioners because most pensioners are the ones that will be put into the low-income category. For them, the assistance that is provided under the proposal in schedule 5 of the Carbon Pollution Reduction Scheme would mean that all of their cost of living increases occurring as a result of that scheme will be met by the government. In fact, 120 per cent of their cost of living increases are expected to be covered by this proposal.

That is an important aspect of the scheme, even though that bill is still to pass through parliament. One of the concerns that I have is that part of the scare campaign being run by the opposition about the Carbon Pollution Reduction Scheme legislation is that householders will be faced with an increased cost of living. If you are a lower-income household, that scare campaign will resonate even more because, if you already struggling, an increase in the cost of living is something that you do not want. I want to make it absolutely clear that those people, particularly those at the lower-income end, will be protected under that scheme by the $6 billion household package. This legislation already makes provision for that.

I conclude by saying, as I said at the outset, that the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 makes the most significant reform to pension payments in Australia since 1909. I have not covered all of the changes that are proposed in it, but it is certainly an attempt—and, I think, a very constructive and well-thought-through attempt—to ensure that pensions are sustainable into the future and to respond to all the dominant issues that are raised on a regular basis with members of this parliament about the support required for pensioners. I commend the bill to the House.

Mr Perrett (Moreton) (12.54 pm)—Before I commence, I congratulate the member for Corio, Richard Marles, on his elevation to the position of Parliamentary Secretary for Innovation and Industry and wish him well in that role.

On behalf of the 13,900 pensioners in my electorate and the 3.3 million pensioners in Australia, I am pleased to rise in support of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. For the benefit of the House, I will not name each of the pensioners in my electorate!

This bill implements the Rudd government’s commitment to delivering lasting reform to the pension and to supporting our beloved pensioners. It delivers an increase of $32.49 week for single pensioners and $10 a week for couples from 20 September this year.
As all 13,900 pensioners in Moreton could attest, over the tenure of the Howard government we saw the cost of living skyrocket. The cost of utilities, health care, groceries, housing and the other necessities of life more than doubled—and tripled, in some cases. Shamefully, the pension has simply not kept pace with this, leaving many pensioners wondering how to pay their bills. In fact, according to the latest Household, Income and Labour Dynamics in Australia survey, between 2001 and 2006 the rates of income poverty were consistently highest among the elderly, particularly single elderly households. It was painfully obvious to the Rudd government that pension reform was needed to guarantee an adequate and sustainable standard of living for our elderly and our disabled and their carers.

This side of the House cares about dignity. That is a Labor social contract that will never be broken. This is why the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, instigated the Harmer pension review—because of our relentless pursuit of dignity for all senior Australians. This comprehensive review recognised that pension rates, particularly for single pensioners, were insufficient.

The Harmer review recommended that the government concentrate our increase on those who are worse off—that is, people who are single and living alone, whether they are age pensioners, disability support pensioners or carers. The review estimated that we need to provide around $30 a week extra in order to make sure that single pensioners have sufficient income, and that is exactly what this bill before the House delivers.

I stress that this is not a vote-buying exercise. It is a budgeted and sustainable approach to reforming the pension for the long term. No right thinking Australian would try to argue that our pensioners are not worth this commitment. The Rudd Labor government does not believe in leaving pensioners guessing on budget night about whether they will get a one-off sweetener—that transitory sugar hit—because that way lies diabetes; the Rudd government is much more responsible. Instead, every single pensioner knows that every week they will receive an extra $32 from the government. Every pension couple knows that they will receive an extra $10 per week. This applies to age pensioners, disability pensioners, carers, wife pensioners and veterans’ income support recipients.

It is obvious that we are not making this reform at the best of times; some might say that it is the worst of times. In fact, these are very tough economic times. They are challenging times. They are, I think, referred to as character-building times.

Most governments would have trotted out the convenient line that this pension reform is too hard in the current economic environment. The coalition could not bring themselves to increase the pension in the best of boom times, when gold bars were raining down upon them. But we and they know that the pension is grossly inadequate and we and they know that a pension increase is needed now. Those opposite, including the opposition spokesperson, the member for Warringah, continue to speak against these necessary reforms. How does he live with himself? He says:

… you can only give pensioners a fair go if the overall economic condition of the country is sound.

But we on this side of the House, we who believe in dignity, say that now more than ever pensioners need and deserve a fair go. Sometimes you have to have the guts to make the tough decisions in tough times, and I know that the pensioners and seniors groups in my electorate agree. Neil Couch,
secretary of the Annerley-Moorooka Senior Citizens Association says:

The pension increases have been greatly received by all our members.

Norm Bullen, a well-respected senior resident in Tarragindi, says:

It's a long overdue recognition of the value of Australia's senior citizens.

And Joan McGrath, a Moorooka resident, a well-respected member of my local St Brendan’s parish and a long-term St Vincent de Paul volunteer, says:

Working closely with St Vincent de Paul, I see that it’s much needed as there are a lot of seniors struggling at the moment.

This bill also amends the qualifying age for the age pension. The age will increase by six months every two years from 2017, reaching 67 for males and females in 2023. I hope everybody currently 57 or younger is able to reorganise their lives around this tough decision that the government has had to make. However, the reality is that the pension age has not changed since the age pension was introduced 100 years ago. Back then, you were lucky to make it to 65, but I am pleased to say that we are all living and working a lot longer these days. Many other countries, including the United States and Germany, are already increasing their pension age to 67.

This change not only reflects the fact that we are living and working longer; it ensures that the age pension will be sustainable into the future. To this end, the bill will introduce a new indexation to better reflect cost-of-living increases for pensioners. The Australian Bureau of Statistics will measure increases in the living costs of pensioners. This will ensure that the value of the pension will be more responsive to pensioner out-of-pocket living costs.

This bill also tightens the pension income test. From 20 September 2009, the income test taper rate will increase from 40c to 50c for each dollar of income over the income test free areas. I welcome the transitional arrangements, which will ensure that existing pensioners do not face a reduction in payments because of the income test. A new work bonus will also be introduced to help age pensioners keep more of the money they earn from work. I do not wish to dishonour Brian Mannix and the Uncanny X-Men, but, unfortunately, it is not true that 'everybody wants to work'. However, for those seniors who do, this is obviously good news. Income will be assessed fortnightly and half of employment income, up to a maximum of $500, will be disregarded in the income test. This is good policy to provide an incentive for those who are able to work to do so.

We all know that, for many people, with work comes additional dignity. Governments should be judged by how they treat the elderly and how they treat people with a disability and those noble people who sacrifice so much to care for them. I am proud to be part of a government that is truly listening and responding to the needs of pensioners. This bill delivers a simpler, fairer pension system that is long overdue. I thank the Treasurer and the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, for having the courage to rise above the current economic circumstances and argue at the cabinet table why we should do the right thing by Australian pensioners. I worked briefly in Ms Macklin’s office many years ago and it is reassuring to see that the compassion I saw then has not been in any way diminished by the trappings of ministerial office. I commend the bill to the House.

Mrs D’ATH (Petrie) (1.02 pm)—I rise to speak in support of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. This bill will introduce a number of key measures from the 2009 budget. With
over 21,250 pensioners and carers and another over 4,100 veteran income support recipients in my electorate of Petrie, the increase to the pension rate is a long-awaited and welcome initiative. I note that the changes to veterans' payments will be dealt with in a different bill, but I believe it is important in this debate to acknowledge the benefit that comes not just to age pensioners and carers but also to veterans from the budget initiatives.

Well before the election of the Rudd Labor government in 2007, pensioners were calling out for reform. They were calling out for a significant change in the base rate of the pension. Those members on the other side of the chamber have questioned why it has taken so long to increase the base rate of the pension. There is a clear distinction between the previous, Howard government and the Rudd Labor government on this issue. In 12 years the Howard government failed to do anything to support pensioners. It is true, come election time each term, pensioners would find themselves the recipients of one-off bonus payments. However, those pensioners were never told that the one-off payments were not budgeted for in future estimates. They only came along in election time. Despite any reviews or inquiries the previous government may have undertaken during its long 12 years in office, no long-term reform or any beneficial reform to pension rates was ever introduced.

The Rudd Labor government heard that call from pensioners loud and clear. This government did not sit back and pay lip service to pensioners the way the previous government did. Within its first six months in office, the Rudd Labor government took action. On 15 May 2008, the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin MP, announced that the secretary of her department, Dr Jeff Harmer, would lead a review into measures to strengthen the financial security of seniors, carers and people with disability. This investigation was to include a review of the age pension, the carer payment and the disability support pension. The minister asked Dr Harmer to report to the government on the outcomes of the pension review by 28 February 2009. The terms of reference directed the review to consider the appropriate levels of income support and allowances, including the base rate of the pension, with reference to the stated purpose of the payment; the frequency of payments, including the efficacy of lump sums versus ongoing support; and the structure and payment of concessions or other entitlements that would improve the financial circumstances and security of carers and older Australians.

The pension review has been undertaken in the context of the wider inquiry into Australia’s future tax system, which is considering the tax structure needed to position Australia to deal with the social, economic and environmental challenges of the 21st century. The terms of reference for the inquiry into Australia’s future tax system require it to consider improvements to the tax and transfer payment system for individuals, including retirees, and for working families. While the panel overseeing the tax system review is due to report by the end of 2009, the government asked the chair of the review, Dr Ken Henry AC, to bring forward his report on the retirement income system to March 2009 to allow that report to be considered in conjunction with the pension review report.

The pension review report was completed by Dr Jeff Harmer in February 2009. The government’s secure and sustainable pension package, which was developed with the assistance of Dr Harmer’s report, was announced in the 2009 budget, which was handed down by the Treasurer on 12 May this year. This means that, within the first
five weeks of this new government’s parliamentary sittings, the review was announced and, within one year from that announcement, the government introduced the changes through the 2009 budget. This is a far cry from the inaction of the previous Howard government. The Labor government recognised and acknowledged that pensioners were finding it very difficult through 2008 while awaiting the Harmer review’s report.

With the global economic crisis really starting to show its effects and to have a flow-on effect in Australia’s communities—into our households; into our businesses—in late 2008, this government acted decisively to stimulate the economy in the way they best believed it could be done. At the same time, the government provided interim financial assistance to pensioners by providing pensioners with a one-off payment delivered to them in December through the stimulus package. This payment not only provided an immediate financial benefit to those pensioners but also was equivalent to a $35 a week increase in their pension between the delivery of that payment and June this year. So it basically was able to fill a gap until such time as the Harmer report came down.

The government’s 2009-10 budget delivers for pensioners a permanent shift to the base rate of the pension. The single pension base rate will increase by $30 per week. In addition, a further supplementary payment of $2.49 per week for single pensioners will be paid and there will be an additional $10.14 per week supplementary payment for couple pensioners. We should not underestimate that supplementary payment. Previously, under the Howard government, we saw many payments being provided on an annual basis. Very shortly after coming to government, the Rudd Labor government provided that many payments, such as the utilities allowance and the telephone allowance, would be paid quar-trerly—recognising that, as with all of our costs of living, those bills do not sit there and wait until the end of the financial year before they have to be paid, that these are ongoing expenses, and it is best to provide that financial assistance as those bills are coming in.

This budget takes that initiative one step further and, in my submission, makes a significant change to the way in which we ensure that pensioners in our community are getting the financial assistance they need when they need it. This initiative ensures that, from 20 September 2009, these payments will be paid as a single supplementary payment on a fortnightly basis. It rolls together a range of payments that are already being provided to pensioners, which will see them not have to wait annually or quarterly but in fact get those supplementary payments when they need them most. Those supplementary payments in addition to the $2.49 per week for single pensioners and the $10.14 per week for couple pensioners will see their GST supplement, their pharmaceutical allowance, their utilities allowance and their telephone allowance being received at the same time as they are getting their normal base rate pension payments. This will see a significant benefit flowing to these pensioners.

As I have said before in this chamber, over 30 per cent of pensioners on the north side of Brisbane are renting. It is important when you are in the private rental market that you can pay your rent on time. If you cannot, there can be very serious consequences. Pensioners do not necessarily have the means to supplement their income when times are tough, and they, more than anyone, need to make sure that they can meet those payments when they are due. This initiative not only improves the base rate of the pension payment—an improvement long overdue—but also rolls up those supplementary payments in a much more simplified way by
having a single supplementary payment that incorporates all those allowances paid fortnightly to benefit those people. For a single pensioner, in addition to their $30 increase, it will mean a $25.39 increase to their weekly entitlement, and of course that will be adjusted with indexation on 20 September as well. So it is at least $25.39 on top of their $30 base rate increase. For couple pensioners, there will be an increase of over $30 per week in their entitlements.

What is even better is that next year these pensioners will have the flexibility to decide how that supplementary payment will be paid and whether they want to go back to quarterly payments. Everyone has their own way of budgeting. Some would rather receive that payment quarterly when those bills are coming in. This government is providing flexibility to pensioners in relation to their payments—flexibility which they have never had before. They have not had the luxury of choosing when to get that payment. It was either 'That’s when you get it or you don’t.' This measure empowers pensioners to decide how they want to budget and how they want to manage their expenses. That is another very important initiative as a consequence of this budget measure and the commitment this government made not only to undertake a review but also, more importantly, to act on the recommendations that came out of that review. Too often we have reviews that do not necessarily get acted on. We have seen action by this government to deliver for pensioners and to take on board the recommendations that have come out of the Harmer report.

Another very important initiative which has been spoken about in this House, in the media and out in the community is the increase to the pension age. I support the increase to the pension age. I believe it is what a responsible government would do. It is a necessary measure that will ensure the long-term sustainability of the pension system in this country and that is what we have to address. It is our responsibility to ensure that people have financial support well into the future. We all know that we are living longer and that the initiatives, the research and the changes in the health sector are fantastic. We are able to move forward to ensure that illnesses, chronic diseases and a range of medical conditions which previously would see someone’s life cut short are much more manageable and will continue to be more manageable in future because of innovation in the medical field. People are going to live longer. If we are going to live longer we have to stand up and say: how are we going to make the pension system sustainable for the long term? This is one of those initiatives.

Prior to the budget coming down, many retirees out in the community, certainly in my electorate, were taking notice of the Harmer review. They were looking at submissions by various organisations and bodies and were interested in having some input in the inquiry. Many retirees came to me saying, ‘We understand that the pension age may need to be increased. What we ask, for those of us who are due to retire in the next five or six years, is that we have a reasonable, sensible and fair lead-in time for that change.’ That is what this government is doing with this initiative. That increase will not begin until 2017 and it will be gradual, increasing by six months every two years until it reaches 67 years of age in 2023.

When this announcement was made in the budget, there were those on the other side of this House who scoffed at the idea. There were jokes about why we should wait so long; 2023 is years away; why have that long a lead-in? That is what a sensible, responsible government does. The pension age cannot be increased overnight. Yes, those on the other side may say—as the Leader of the
Opposition has said—’I recognise that there must be an increase in the pension age to make the pension system sustainable for the long term.’ But he has not said when he would introduce it. They were certainly keen to scoff at the concept and at the proposed time line when this budget initiative was introduced. This is a proper time line. It is reasonable. It ensures that those who are in the workforce right now, who have already planned to retire over the next five or six years, can continue with that plan and will not be disadvantaged as a consequence of this initiative. People who will not retire before 2017, and particularly by 2023, will have more than adequate time to prepare for the change to the pension age.

Of course, as we have said, this does not stop people retiring at an earlier age. This is not retirement age; it is the age at which people will access the pension. It is important to make that distinction and to clarify that point. We have control of our own destiny as to when we retire. If we want to retire early we can, but we have the responsibility to ensure that we have the financial security to do that. If we are going to rely on the pension system, we have to accept that the pension system must be sustainable. That is why 67 years of age is reasonable, sensible and fair.

I will deal briefly with the argument we have heard about people who do hard labouring work. I looked after construction for many years in my previous job. I know the strain it has on people’s bodies. I accept that, as people get older, physically they struggle to do labouring work. The federal government needs to work with state governments to ensure that we have initiatives in place to retrain people. It is not only when people hit 65 that their bodies are telling them that they cannot continue hard labouring work; in their 40s and early 50s their bodies tell them, ‘You cannot continue doing very physical labouring work.’ We need to help those people to retrain and reskill. I know that the state government has a range of initiatives about retraining and reskilling mature age workers. We also need to encourage businesses to say to workers, ‘You have the skills, you have the knowledge. Instead of doing hard labouring work, you can be a role model and help apprentices and those who are learning by imparting your knowledge, working with them as a transition to your retirement, so that others can gain from your experience and knowledge.’ That would be much better than workers pushing their bodies until they can no longer cope. I am keen to work on initiatives with this government and with state governments to help mature age workers reskill so that at 65 years of age they are not wondering how they are going to do two more years of hard labouring work.

These are extremely important budget initiatives. I have spoken in this House about the important infrastructure initiatives that are so significant in supporting jobs now and growing our nation into the future. Equally, we must look after those most in need in our community and that is what this bill does. I support it and commend it to the House.

Mr SULLIVAN (Longman) (1.22 pm)—It is wonderful for me to stand here and represent my constituency as we debate the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. If I may, at the beginning I will join the Dutch auction that seems to have been carried out in the chamber today on the number of pensioners that each member represents in their electorate.

There are 23,216 age pension, disability support pension and carer payment recipients in the electorate of Longman. Part of the reason for that is that the electorate contains the most beautiful parts of Moreton Bay, Bribie Island and Deception Bay, which is a very popular retirement area. A large number of
retirees come to the coast where I am and there is an increasing number of retirement communities as well as aged-care facilities.

I was with the Minister for Ageing just last week as we opened a new aged-care facility at Deception Bay, Eden on the Avenue. There is a rich life provided for retirees in our area. There are active senior citizens clubs, the University of the Third Age, bowls clubs and the wonderful retirement activities of boating and fishing, which we offer in great abundance. Not only does our area provide for senior citizens or older Australians but they contribute thoroughly to the kind of community that we have, particularly through volunteering. I was very pleased to recently acknowledge the contribution of a large number of senior Australians from our area through the Longman Volunteer Awards, which were given out during Volunteer Week. I was very pleased that last Friday one of our more active seniors, Ces Conte, who is 82 years old, received a special award from the Minister for Ageing.

The reforms that this bill encompasses—and there are many; lack of time today means that I cannot cover them all in my speech—include flexibility, fairness and simplicity. Those are key elements of this bill. In fact, I have written down here: ‘This is the most significant reform to the pension system for 100 years.’ The reform that took place 100 years ago was, of course, the introduction of the pension system. That is saying quite a bit but I believe it is true: this is a series of very significant reforms.

The review that was undertaken by Jeff Harmer, the secretary of the minister’s department, came forward with a number of key findings. I think it is important that they are enunciated here. The first finding is that the single full-rate pension should be a priority—that the relativity of that rate to the couple pension is too low. The second finding we should highlight is that the payment of existing supplements and allowances should be integrated by including them in a single pension supplement or the base rate. We all know the dangers of putting them in the base rate, given the proclivities of some of our state colleagues. The pension supplement was the way to go. Another finding is that the pension changes should be tied to the actual cost of living faced by pensioners. I can tell you that many of the items that appear on the consumer price index calculations are not items that pensioners buy regularly and are items that decline in price over time. In fact, their cost of living is well above the CPI. The new measure that is being introduced is important. The last finding that I think is really important for us to be well aware of is that pension increases should be targeted to those who have little or no private means. So the less you have for yourself the better it ought to be for you through the pension system.

There has been an amount of toing and froing across the chamber during the course of this debate. In fact, we have been accused of taking too long to make these changes and that they are long overdue. I had to sit through a number of speeches that told us that the member for Higgins, Mr Costello, was a man of great vision. Such was his vision that we are now dealing with matters that those opposite believe are well overdue and have taken too long. Importantly, I say this: I commend the member for Warringah on his contribution with regard to the increase of the age at which pensions will be paid for some years into the future. I thought that he was quite well informed with regard to that.

Part of what we have done is split the payments that individual people will get into two. In my own mind I call them part A and part B—joined together you get ‘araldite’, which is hopefully stronger income support
for people of pension age. The base rate fortnight pension is to be increased and a pension supplement is the gathering of a number of payments that people get. This will make it not only simpler for Centrelink to administer on our behalf but simpler for people to understand what they are going to receive. It will be indexed twice yearly. The pensioner and beneficiary living cost index is a magnificent new measure. I am sure that, once it is put in place, a great deal of benefit will flow through in indexation measures to pensioners as a consequence.

The pension rates have, importantly, established two things. The first is that the single age pension is being set at two-thirds of the pension rate for couples. I know this because all of them are represented in my community. I know that all of the organisations that represent senior Australians and pensioners have been calling for it for some time. The second matter is the increase of the benchmarking against male total average weekly earnings to 27.7 per cent.

I would like to talk very briefly about how I believe that the new work bonus system will be of great benefit to those people who take on pensions from 20 September and also to indicate that there has been, through the transitional arrangement provisions, a great deal of concern about the fact that they might have been better off under the old system and were being forced onto a new system. The transitional arrangements have reduced that concern as expressed by people in my electorate.

I think that it is important that I say at this time that, try as we may as a government and as members of parliament to get out correct information about what is happening here, we are sometimes prevented from doing so by the media. I would like to give a gong to an ABC journalist in Brisbane who used her time on the airwaves to tell all the pensioners in my electorate that we were removing the utilities allowance from them forthwith, which of course meant that my office had to do a great deal of work in relation to that.

Mindful of the time and the need that we have to move this bill through this chamber so that it can go to the other place, I will restrict my comments to those above, other than to mention what I thought was probably one of the most telling comments about what is being done here by our government. It is from Ian Yates of the Council on the Ageing. He said:

... years of unfair treatment for single age pensioners had been recognised and large steps taken to rectify it.

... ... ...

The new pension system is simpler, which is most welcome ...

I am more than happy to commend this new system to the House.

Mr GEORGANAS (Hindmarsh) (1.32 pm)—I too am very pleased to rise to speak today on the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. I am also very pleased that the minister who brought this piece of legislation to this House is here in the chamber. These are the most significant reforms to the pension since it was introduced 100 years ago. It is a very vital investment in preparing Australia for the future.

This bill implements key elements of the government’s secure and sustainable pension reform package that was announced at the 2009-10 budget. The bill prepares Australia to meet the future challenges of an ageing population. As the member for an electorate that has one of the oldest populations in the country, the electorate of Hindmarsh, I welcome these changes. I must say that they have been a long time coming.
The Rudd government reforms deliver a stronger and fairer pension system that will serve pensioners and Australia well into the future. Pensioners in my electorate of Hindmarsh can look forward to increases from 20 September 2009. In my electorate, that involves 19,693 age pensioners, 5,540 disability support pensioners and 750 people who receive the carer payment. This bill will ensure that single pensioners will receive the increased support that they deserve. Single pensioners in the electorate of Hindmarsh will receive increases of up to $32.49 a week as part of these reforms. We all know that pensioners thoroughly deserve this extra support. Even in the hardest of economic times the Rudd government has delivered on crucial reforms for pensioners.

These reforms will also improve the pension system by making it simpler and more sustainable into the future as the population ages. The reforms will provide long-term security and certainty and will also ensure that over time the pension system will remain both adequate and sustainable.

The bill introduces a new pension supplement to simplify the number of supplementary pension payments currently available. The existing GST supplement, the pharmaceutical allowance, the utilities allowance and the telephone allowance will be incorporated into the one pension supplement. Also, the new pension supplement for singles will increase by $2.49 a week to enable the supplement to match the 66.33 per cent single to couple pension ratio. For couples combined it will increase by $10.14 a week.

At 20 September 2009 it is estimated that the pension supplement will be worth up to $1,462.70 a year for singles, which is a weekly figure of $28.13. For couples it will be $2,199.60 a year or $42.30 per week. Also, from 20 September 2009 the pension supplement will be paid fortnightly with the pension and from July 2010 pensioners will be able to choose to take the minimum amount of the pension supplement in quarterly instalments.

The bill also introduces the new seniors supplement—a payment that replaces the seniors concessional allowance and telephone allowance currently available to holders of the Commonwealth seniors health card. The seniors supplement will be available as a quarterly payment and will be paid at the same rate as the minimum amount of the pension supplement. The seniors supplement for a single person will be 66.33 per cent of the seniors supplement for a couple combined.

A new work bonus will be introduced for age and service pensioners. Employment income will be assessed fortnightly for pensioners over age pension age, and 50 per cent of a pensioner’s employment income up to a maximum of $500 a fortnight will be disregarded in the income test. This is designed to replace the Pension Bonus Scheme and provide a mechanism for supporting pensioners over age pension age who choose to work to supplement their existing pension. For example, a single pensioner who works part-time with a fortnightly income of around $500 a fortnight will benefit from the work bonus under the new income test arrangements and only half of the income will be assessed under the pension income test. This means that the pension will be $125 per fortnight better off just as a result of the new work bonus, even after taking into account the tightening of pension income test rules.

Pension rates will continue to be adjusted in March and September each year in line with cost of living increases. The Australian Bureau of Statistics will develop a new index that will specifically reflect cost of living changes for pensioners and other income
support recipients to be known as the pensioner and beneficiary living cost index. The bill will provide for pension rates to be adjusted each March and September by whichever is the greater of the CPI or the PBLCI—the pensioner and beneficiary living cost index. The amendments also ensure that the base pension rate will continue to be benchmarked to community living standards as measured by wages using male total average weekly earnings. A new legislative benchmark will be set at 41.76 per cent of male total average weekly earnings for the combined couple rate of pension. The bill sets the rate for single pensioners at 66.33 per cent of the combined couple rate, which is equivalent to 27.7 per cent of male total average weekly earnings. This new measure will commence on 20 September 2009.

Like all of us on this side of the House, I am very proud to be part of a Rudd Labor government that has delivered on a long overdue increase in the pension. As I said earlier, these are the most significant reforms to the pension since it was introduced 100 years ago and are a vital investment in preparing Australia for the future. All 3.3 million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients will benefit from the increases in their pension payments.

Being a member of an electorate with one of the highest numbers of people aged over 65 years in Australia—over 20 per cent of my constituents in Hindmarsh are aged over 65—I have been advocating long and hard for improvement to the income of pensioners in my electorate. My constituents have been telling me, not just in the last couple of years but for years—at street corner meetings, at seniors forums that we hold, at functions and at meetings in my office—that they needed an increase in their pension. They have not been telling me this just in the last 18 months since we have been in government; they were telling me this for the years that I was the member in opposition as well. We know that the former government in 11 long years did nothing to address the inequity for single pensioners. For 11 long years the former government allowed the pension rate to stay low and squandered the opportunity to support pensioners in an entirely different economic climate. Yet this Rudd Labor government in tough economic times has done it. I am proud to be part of that government, as all of us are on this side. The government has taken this tough decision and it has delivered for pensioners.

Mr WINDSOR (New England) (1.41 pm)—I would like to take a few minutes if I could—and I promised the minister that it would only take a few minutes—to congratulate the government in taking this momentous step in relation to the increase in pensions. It is something that, as the former speaker said, has been long overdue and something that has been required for many years now. Obviously the pensioners in my electorate are very, very pleased. They recognise that it does not solve all their problems, but I think at least they recognise now that government is taking them seriously in terms of the level of the pension.

I would also particularly like to thank a woman called Betty Moore, who is a resident of Inverell. She is a former councillor on the Inverell council. She has led a campaign in that part of the world to increase the pension, and she was instrumental in me organising a number of rallies across the electorate, where she spoke. She was also one of the invitees at the 2020 Summit, where this issue was raised. I know that she is delighted that the government has actually listened to the voices that have been out there, and there have been many of them—champions at a
whole range of levels that have been campaigning for the increase in the pension.

I know there has been an amount of politics played in relation to this issue, but I think it is tremendous that we do see that those people—people that in the main were working very hard when the hard yards were on in terms of this nation—are at least being recognised by the government with a relatively small increase in terms of the global economy, but nonetheless a significant increase and in many cases I think an unexpected increase given the activities of the last 10 or 15 years in terms of pension increases. I will conclude at that point and thank the minister on behalf of the pensioners of New England and elsewhere because of the changes that have been made.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (1.44 pm)—in reply—Could I first of all thank all members for their contributions to the second reading debate on the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 and for their advocacy on behalf of their constituents, in particular recognising those who have been working hard to bring this to a conclusion. Before I sum up the debate, I would also like to add my congratulations to Dr Jeff Harmer, the secretary of my department, who conducted the major review of the pension system over the last year. That was critical to the shape of the debate we are having now. It was critical to making sure that pensioners were able to come to many of the public meetings around the country. There was a reference group established advising Dr Harmer. On behalf of the government, I extend my sincere thanks to him and to a very dedicated team of officials from the Department of Families, Housing, Community Services and Indigenous Affairs—some of whom are here today. They are an outstanding group of people who worked extremely hard on behalf of Australia’s pensioners, especially over the last few months as the budget was being put together. They are an extraordinary group of people with a very detailed knowledge of the social security system, and they all have my very sincere thanks.

These are the most significant reforms in the 100-year history of the pension system in this country. I do not think we can overestimate just how significant they are. They are reforms that deliver a fair go for pensioners. That is really what it has been all about. They are reforms that, as a government, we are very pleased to be able to deliver. They fundamentally and most importantly improve the adequacy of the base rate of the pension, which was our primary objective. We also are making the operation of the system simpler and much more responsive to pensioner needs. One thing that was hard but absolutely necessary in this pension reform package was securing the long-term sustainability of the pension system. It was necessary because we are an ageing population. We have a lot of challenges in addressing the needs of the ageing population. One is making sure that our pension system is sustainable.

The centrepiece is the much-needed increase in the pension payments. From 20 September this year single pensioners will receive an increase of $32.49 a week and pensioner couples will receive $10.14 a week. The pensioner couples increase will be delivered through the new pension supplement. I will say a little bit more about the supplement in a minute. This is delivering to 3.3 million pensioners around the country—that is, age pensioners, disability pensioners, those on the carer payment, wife and widow B pensioners, those on the bereavement allowance, special needs pensioners and veteran income support recipients. All of these people will benefit from the major reforms.
being delivered as part of this legislation. One very significant change we are delivering is the significant increase in the proportion of the pension paid for singles as compared to couples. At the moment the ratio is 60 per cent. We are increasing that proportion to 66.33 per cent, recognising that single pensioners—especially those who live alone—have a higher cost of living. This is a very significant reform and one that we hope will help those single pensioners.

One other critical change is that we are increasing the benchmark of the pension compared to wage increases. A number of members today have commented on the changes we are making to the indexation arrangements, and I am sure they are going to be welcomed by pensioners. But we are also increasing the proportion that the single age pension will be benchmarked against. At the moment, the single rate of the increase is benchmarked to 25 per cent of male total average weekly earnings. As a result of these reforms, that will be increased to 27.7 per cent of male total average weekly earnings. That is an increase of 10 per cent. We will not only have pensions benchmarked against wages, to make sure that pensioners can continue to maintain their standard of living relative to other Australians, but also have improvements to the arrangements for the way pensions are indexed against prices. Following these reforms—and I think these numbers are right at the heart of it all—the new total weekly pension plus supplement will be an estimated $336.68 for singles and $507.50 for couples combined. This amounts to $17,507.36 a year for singles and $26,390 for couples combined. We have to wait until 20 September before we get final figures, because on 20 September—as usual—the pension will be indexed and we do not know yet what the final inflation or wages figures will be.

We are introducing another very significant change—and a number of members have made contributions on this issue—that is, to simplify the pension. We are improving the adequacy of the pension. That has been central to our considerations. But we have also decided to make major changes to simplify the pension arrangements so that all the additional allowances and supplements that are paid currently will be put together. Their value will be maintained and increased in the new pension supplement. We are also making sure that this reform flows through to benefit self-funded retirees. There will be a new senior supplement introduced, and that will be available to those who hold a Commonwealth seniors health card.

For the first time there will be an index that actually measures the cost of living for pensioners. Many pensioners have raised with me their concern that the consumer price index does not reflect their cost of living adequately. We have listened to this concern and have agreed that the Australian Bureau of Statistics will independently develop a new pensioner and beneficiary cost of living index. That will start as well on 20 September. To make sure that pensioners get the best out of these changes, we will index the pension by whichever is the higher—either the consumer price index or this new pensioner and beneficiary cost of living index—to make sure that the value of the pension keeps up with the cost of living.

We are making the arrangements for pensioner advance payments more flexible. That will be very important in helping pensioners who need to buy things that cost more than they can afford out of any particular fortnight’s pension payment.

We are making some very tough decisions to be able to afford this pension rise. We are better targeting the pension by changing the income test withdrawal rate. To make sure
that does not discourage pensioners who want to work, we are introducing a new work bonus. We are making a few other amendments to support changes being made by the Western Australian government. We are making another very difficult decision—a difficult decision which the former government talked a lot about but never had the guts to do—and that is to raise the age pension age.

The age pension was introduced 100 years ago, when life expectancy was very different from that which it is today. It is only Labor governments that have been prepared to take the difficult decisions to make the pension sustainable. The previous Labor government increased the age pension age for women. This Labor government is making sure that long-term sustainability of the pension system is delivered, by increasing the age pension age for men and women to 67. We are phasing this in very slowly so that people have time to plan for their retirement. This will make sure that we are both maintaining an adequate age pension but guaranteeing that it is sustainable as we confront the demographic challenges of the future.

The previous government were very good at writing reports about this issue. There were two comprehensive intergenerational reports prepared by Treasury for the former government. Unfortunately, the former government ignored the findings of these intergenerational reports. For 12 years they knew we were confronting the significant ageing of our population but they refused to increase the adequacy of the age pension, let alone do anything about the sustainability of the system.

Extraordinarily, the shadow minister for community services, the member for Warringah, said in his contribution to this debate that there should be more public debate about increasing the age pension age but said at the same time that we should do it sooner.

I cannot make an ounce of sense out of anything that the member for Warringah said. I would have thought that he would realise that the previous government had conducted two major intergenerational reviews and Dr Harmer conducted a major review of the pension system for this government over the last 12 months. It took around 2,000 written submissions. We had an excellent reference group. There were a number of senior groups on that pension reference group and all of them understood that difficult decisions would have to be made.

It has been extraordinary to listen to those on the other side, who did nothing to address either the adequacy or the sustainability of the pension and who now seem to think they can claim some credit for what is being done. That said, we are very pleased to be delivering this much-needed pension reform. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (1.58 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

DISTINGUISHED VISITORS

Mr HOCKEY (North Sydney (1.59 pm)—On indulgence, I will accommodate the Minister for Families, Housing, Community Services and Indigenous Affairs—and I thank her for agreeing to continue up to two o’clock—and in these 60 seconds recognise a good guy who is in the gallery: Stephen Martin, a former Speaker in this place. I do
believe that the former member for Cunningham is a good guy. He was in this place when I came in in 1996. I recall him being on the famous House of Representatives Standing Committee on Financial Institutions and Public Administration briefly with Mark Latham, Greg Wilton, the now Leader of the House, Ralph Willis and Bob McMullan, who is still in this place.

It is wonderful to see Stephen Martin, a well-respected former member of this place and a wonderful former Speaker. Ironically, he was very balanced and very accommodating of the opposition. He was a balanced and genuine person, not unlike you, Mr Speaker.

The SPEAKER—I thank the member for North Sydney for his cooperation. He gives me the opportunity to say that Speaker Martin was well served by a Deputy Speaker of great talent! I do recognise that former Speaker Martin is in the gallery. On behalf of members, I convey to him a warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Australian Business Investment Partnership Bill 2009

Mr TURNBULL (2.00 pm)—My question is addressed to the Prime Minister. I refer to the rejection of Ruddbank by the Senate. I ask the Prime Minister to detail to the House the Labor Party’s record in commercial property lending and advise honourable members how many thousands of jobs and billions of taxpayers’ dollars were lost through the Labor government run state banks in Victoria and South Australia. When Labor turns banker, don’t taxpayers always have to pick up the tab?

Mr RUDD—Methinks he doth protest too much. The Leader of the Opposition knows that he is standing there as the single living roadblock to many businesses in Australia having access to finance to support jobs in the construction industry. He knows full well there has been a line-up of people from business and the finance community who have been to see him, saying, ‘Will you please stand out of the road in order to provide decent Australian firms with finance to go out there and continue their projects and build jobs.’ He knows he is under the spotlight on this, hence we have this great spray up the front today in order to try and take some pressure off him. I say to the Leader of the Opposition: this stands as one of the more reckless acts in which the Liberal Party has engaged in recent times. If you listen to the tenor of the questions put into the House of Representatives by the Leader of the Opposition over the last week or so, they have been along the lines of the availability of finance and the cost of finance. What does this team opposite then go around and do in the Senate? They block finance and its availability to business. This is a complete contradiction in the position they have sought to put forward in this House.

Following this act of economic vandalism by those opposite to wreck projects and to wreck jobs at a time of global recession, could I draw to the attention of the Leader of the Opposition comments this morning from the director of corporate affairs of Westfield, who said, ‘Like the stimulus packages, this piece of legislation was very important for confidence and jobs.’ I notice the Leader of the Opposition is having an objection to Westfield.

Mr Turnbull—Mr Speaker, I rise on a point of order that goes to relevance. I know it is just the Prime Minister’s modesty that is stopping him from talking about the Labor Party’s record in commercial property lending, but I would encourage him to address the question.

Mr Crean—What about HIH?
Mr Rudd—We will be coming on to HIH fairly soon, and the record, because I know the Leader of the Opposition had a particular interest in that matter. But let us just leave that for a time. Let us not rake over the coals just now. For that matter, so did the member for North Sydney, who presided over the implosion of a great Australian financial institution. The member for North Sydney was the Minister for Financial Services and Regulation at the time. What happened? We saw the implosion of a great institution in which apparently a current member of the Liberal Party sitting at a front seat—

Mr Hockey—HIH was a great institution! Do you know what you just said?

Mr Rudd—The great thing about the member for North Sydney is that the more he bellows the less the content is. The member for North Sydney was also interjecting about comments from Westfield. Yesterday or the day before Frank Lowy from Westfield was asked down there at the National Press Club about what actually was contributing to Australia’s relatively better economic performance globally. What was his response? Frank Lowy from Westfield has businesses in the United States. He has businesses in the United Kingdom. He said there were three answers: government stimulus, government stimulus and government stimulus. That is what Westfield had to say. I draw that to the attention of the Leader of the Opposition because Westfield and a whole bunch of other companies are out there from the property sector saying to the Liberal Party, ‘Why don’t you just get out of the road and do something constructive for the economy rather than always talking the economy down?’

Similarly this morning, in answer to the Leader of the Opposition’s question, we had the chief executive of the Property Council of Australia—another front for world socialism, apparently—say the following:

You know, Australia was ahead of the pack here in recognising there was a potential problem with foreign banks in particular being directed to reinvest in home countries by their new owners’ foreign governments, but, now the Japanese and Americans have recognised the same problem, they have put in contingency plans and we have not. So now we are behind the game. It was elegant, it was simple, it was transparent and we have missed an opportunity. Credit is still very difficult to get in Australia and this is totally different from the recession of the nineties. Foreign banks in particular play a crucial role in the way that they did not last time around in the recession. So says the chief executive of the Property Council of Australia. The truth is that the Leader of the Opposition knows this. His colleagues know that. They have had one representative of an industry association after another into them asking why they will not just get out of the road and allow this measure to pass the parliament so that finance can be delivered to real projects by real companies to create real jobs for Australia.

Can I say to those opposite on this question as they reflect—and I am sure the member for North Sydney is reflecting on his stupendous achievements as minister for financial regulation back then, and of course on the Leader of the Opposition’s achievements when he was the member for Goldman Sachs—is that what this goes to is a very simple question of politics versus economics. We are saying we need to get out there and support businesses to create jobs and to uncloud the lines of finance for businesses to get jobs and projects going. Those opposite have simply engaged on a negative political strategy to block everything in the Senate and to talk the economy down. The contrast is here for all to see: a government in the business of trying to boost the Australian economy up and lift us out this global recession and a leader of the Liberal Party deter-
determined to do everything he can to negatively talk the Australian economy down. On this day those in search of Australian jobs and those supporting Australian companies will hang their heads in disbelief that the so-called party of business has left them marooned by this action.

**Economy**

Ms OWENS (2.07 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the possible consequences of the Senate’s failure to pass the necessary legislation to establish the Australian Business Investment Partnership?

Mr SWAN—I thank the member for Parramatta for her question. They think the whole topic of jobs in Australia is funny. They will not support any constructive measures in this House to support employment. They have consistently opposed in this House economic stimulus that is providing support to tens of thousands of Australian families who have breadwinners because this government had the courage to put in place economic stimulus. But what we saw in the Senate last night was perhaps the most brazen example of political opportunism that we have ever seen from the Leader of the Opposition—and we have seen many. We remember his statement that ‘not one job had been created by economic stimulus’. There have been tens of thousands of jobs supported by economic stimulus. We on this side of the House are absolutely determined to do everything that we can, in the face of a global recession, to support domestic employment.

The Australian Business Investment Partnership is very important given the global recession. It is a commonsense measure. As the Prime Minister was saying before, it is supported strongly by the business community. It is supported strongly by the small business community. They understand that if finance is withdrawn by international financiers then the jobs of tens of thousands of people are on the line. But those opposite simply want to play politics. The Leader of the Opposition would rather see the nation fail than the Rudd government succeed. That is their attitude to this particular proposition. It is the case that the business community strongly supports this measure. It is important that a measure like this should pass because it does have important and dramatic impacts upon confidence.

As the CEO of the Property Council said this morning, ‘The confidence dividend this would have delivered will now be lost.’ It just goes to show how little the opposition understand about the challenge of this global recession and how little they understand about the need to support employment and small business that they could engage in such a reckless act. This is a measure that is required. It is a very important contingency measure. If worst comes to worst and they do not change their minds and projects fail and jobs are lost, it will be on their heads. It will be on their heads if jobs are lost. What we see from this mob is an enormous amount of cheap outrage and feigned indignation when they know we are doing the right thing by the country.

There is not a conservative government anywhere else in the world that has not engaged in economic stimulus like we have and that has not put in place a measure similar to this. The only group that stand out in that debate are the Liberal and National parties of Australia, who have no comprehension of the nature of the challenge that we are facing. They are playing the politics of calculation; they are not playing the politics of conviction. They are sitting back and waiting to see people lose their jobs because they think that is to their political advantage. That will most certainly not be supported by the Australian people, who want governments to take action and to put in place decent, commonsense
initiatives such as ABIP—which is what we have done.

**Budget**

Mr HOCKEY (2.12 pm)—My question is to the Treasurer. Given that the Prime Minister informed the House that his government’s borrowings would reach $315 billion, and given that recent state government budgets have revealed that total state government borrowings will reach at least $160 billion over the next three years, will the Treasurer now confirm that total Australian sovereign borrowing will rise to $475 billion or $21,800 for every man, woman and child in Australia?

Mr SWAN—There we go: more opportunistic scare campaigns from those opposite—absolutely opportunistic scare campaigns with little basis in fact. He knows very well that the net debt of state governments is entirely manageable. He knows that—he has seen the figures—but he will come into this House and say and do anything to make a political point and he will distort any figure. This morning the whistle has been blown on the shadow treasurer, the member for North Sydney. This morning in the *Sydney Morning Herald* I think his approach was summed up appropriately by Ross Gittins. This was his conclusion:

If the Opposition persists with such destructive and dishonest arguments it risks the public concluding it’s willing to wreck the economy it seeks to govern.

That is what he said. Then he went on to say:

If the Opposition persists with such destructive and dishonest arguments it risks the public concluding it’s willing to wreck the economy …

Mr Hockey—Mr Speaker, I rise on a point of order. If the Treasurer wants to quote extensively from the *Sydney Morning Herald*, I seek leave to table the *Economist*.

The SPEAKER—That is not a point of order. The member for North Sydney will resume his seat.

**Employment**

Ms GRIERSON (2.16 pm)—My question is to the Minister for Financial Services, Superannuation and Corporate Law. Will the minister outline to the House what plans have been pursued to support jobs in Australia as the global economic recession continues to impact upon the nation? What threats still exist to the provision of finance for major projects?
Mr BOWEN—I thank the member for Newcastle for her question. She convened a very good series of meetings with Newcastle business on my recent visit and she is a strong supporter of the need to protect and support Australian jobs. The global economic recession is continuing to impact on Australia and on jobs. While the worst of times may not be over by a long shot, the evidence clearly shows that the government’s stimulus packages have been working. Without the stimulus packages, the economy would have contracted in the recent quarter rather than grown. We have seen a big boost in business and consumer confidence. Consumer confidence recorded its largest increase in 22 years in June and is at its highest level since January 2008.

But last week’s employment figures make it clear that, while we are in much better shape than the rest of the world, we still face a significant jobs challenge ahead—not least in the commercial property sector. We have seen continued volatility in that sector through commercial finance figures falling sharply in April after a sharp rise in March. This is a sector in which confidence and stability are paramount. As the Prime Minister and the Treasurer and other economic ministers and I talk to businesspeople around the country, we constantly hear them telling us that one of the biggest challenges facing them is the potential flight of foreign capital as banks return to their home markets.

Is it any wonder, then, that the Australian business community is frustrated and angry at the naked opportunism of the Leader of the Opposition? The business community knows how important access to finance is in supporting jobs. But the supposed party of business is refusing to listen to business. Last night in the Senate, the coalition showed that it was willing to roll the dice and gamble with the jobs of 150,000 Australians involved in the commercial property sector.

Australian business knows how important the Australian Business Investment Partnership is. Both the Master Builders Association and the Property Council have been calling for bipartisan support for ABIP. Remember bipartisanship? We used to hear a lot about it from the Leader of the Opposition. I would have thought that a good way to show bipartisanship would be to support an initiative supported by so much of Australian business.

The Urban Taskforce perhaps best summarised the importance of the partnership for the Australian economy. They said:

The economy will pay a heavy price if this legislation is blocked. Without this legislation we may see a further reduction in confidence, a deeper economic downturn and postponed economic recovery.

We may see a deeper economic downturn and postponed recovery because of the recklessness and opportunism of the member for Wentworth.

You might have thought that confidence and stability in the commercial property sector and all the jobs that go with it would be important to the Leader of the Opposition. But unfortunately it appears that it is not. We all see the Leader of the Opposition’s relief and joy on Monday at the announcement from the member for Higgins that he was retiring from politics, an announcement which protected the Leader of the Opposition’s job for a little while longer. But he is prepared to roll the dice for thousands of jobs of the Australian people. We saw joy from the Leader of the Opposition on Monday, while he votes down an initiative to support Australian jobs.

And we have seen more of this. I saw the member for Mayo on Sky Agenda this morning, debating the Parliamentary Secretary for Employment. He said, ‘We’re very pleased to have been able to stop it.’ There is something unseemly about a member of parlia-
ment gloating that they have stopped an initiative to support Australian jobs. The other side rejoice in Australian jobs being put at risk. They would much rather protect their own jobs than the jobs of ordinary Australians.

When John Howard was Prime Minister of Australia, he painted himself as the champion of battlers; of tradies; of tradespersons; of plumbers; of electricians; of carpenters. The Leader of the Opposition has thrown that mantle away. These are the very people whose jobs he is recklessly attacking—all in the name of political opportunism. Across Australia at boardroom tables there are businesspeople shaking their heads at the recklessness of the Leader of the Opposition. Across Australia at kitchen tables there are workers shaking their heads at the opportunism of the Leader of the Opposition. The Leader of the Opposition has become just as out of touch with the boardroom table as he has always been with the kitchen table.

DISTINGUISHED VISITORS

The SPEAKER (2.21 pm)—I inform the House that we have present in the gallery this afternoon the Minister of Foreign Affairs and International Cooperation of the Republic of Botswana, the Honourable Mr Phandu Skelemani. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

OzCar

Mr TURNBULL (2.21 pm)—My question is addressed to the Treasurer. I refer the Treasurer to his remarks in the House on 4 June where he told us that Treasury officials would be free to appear before a Senate committee to answer any questions about representations made in relation to the OzCar finance scheme. As the Treasurer said:

… go for your life …

Will the Treasurer reaffirm to this House that there will be no attempt to prevent any official appearing before Friday’s Senate inquiry and will he provide promptly to senators any and all documentation casting light on the nature of the representations made by ministers or their officers on behalf of Mr John Grant, the Queensland car dealer who provides a free car to the Prime Minister?

Mr SWAN—The normal arrangements will occur, as usual.

Small Business

Mr SULLIVAN (2.22 pm)—My question is to the Minister for Small Business, Independent Contractors and the Service Economy, and Minister for Competition Policy and Consumer Affairs. Minister, how will the Senate’s failure to pass the necessary legislation to establish the Australian Business Investment Partnership affect small business in the construction and retail sectors?

Dr EMERSON—I do thank the member for Longman for his question. The House might not be aware that the member for Longman, in the early 1990s, was instrumental in setting up the Business Enterprise Centre at Caboolture. I thank him on behalf of the small businesses on the Sunshine Coast of Australia for his ongoing interest—the ongoing interest of everyone on this side of the parliament in the future of small business in this country. I note yet again that my opponent, the shadow minister for small business, will not ask me a question about small business.

Yet again the opposition leader has put his own base political interests ahead of the interests of the small businesses of Australia. We know that the Australian Business Investment Partnership is designed to support commercial property construction and development during the global financial crisis. We also know—and the opposition leader knows—that the commercial property sector
employs around 150,000 people, including plumbers, electricians and carpenters. The advice of Treasury is that, without action, a combination of weak demand and tight credit conditions could result in up to 50,000 people losing their jobs in this sector. These are ordinary people, these are small business people, these are tradies, these are independent contractors.

The Liberal Party claim small business operators as their own core constituency, but last night the Liberal Party betrayed the small business people of Australia. Last night the Liberal Party and its cohorts in the National Party betrayed the tradies and independent contractors—our electricians, our plumbers and our carpenters. That is what the opposition did, and they are boasting about it today at the doors. They are proud of their achievement in betraying the small business community of this country.

The opposition leader talks about jobs, jobs, jobs, but his actions and those of his party last night have taken jobs away. He has risked the jobs of up to 50,000 Australians. The opposition leader is saying to the tradies, to our plumbers, electricians and carpenters: ‘Pack up your tools in your old kit bag; it’s goodbye, bye, bye.’ You regard the small businesses of Australia as your core constituency. Well, why on earth would you betray them? Why would you betray them? And we know the answer to that question: because by your actions, by the opposition leader’s actions—

The SPEAKER—The minister will refer his remarks through the chair.

Dr EMERSON—he is trying to distance himself from the truth, from his past.

Mr Turnbull—Mr Speaker, on a point of order on relevance: practice does make perfect, but the minister should not rehearse a song for the Midwinter Ball here in the House!

The SPEAKER—The Leader of the Opposition will resume his seat. There is no point of order.

Dr EMERSON—I can advise the opposition leader that rehearsals were at 12 o’clock today, and we are looking pretty good!

The SPEAKER—The minister will get back to the response.

Dr EMERSON—This is the plot: the opposition are distancing themselves from their past. Let us have a look at the opposition’s economic team: we have got the opposition leader living in the leafy eastern suburbs of Sydney, we have got the shadow Treasurer living in the leafy northern suburbs of Sydney—

Opposition members interjecting—

Dr EMERSON—and we have got the shadow finance minister—

Opposition members interjecting—

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

Dr EMERSON—who, again, lives in the eastern suburbs of Sydney, in Woollahra. They are lovely suburbs, lovely suburbs. If you go to Woollahra, if you go to North Sydney, if you go to Frenchs Forest, they are lovely places to visit.

Mr Dutton—Mr Speaker—

Dr EMERSON—I am not finished.

The SPEAKER—The minister will resume his seat. The member for Dickson on a point of order.

Mr Dutton—Mr Speaker, I rise on a point of order, and it goes to relevance. The minister enjoys cosying up there and spends half his time in Melbourne. He is supposed to live in Brisbane—

The SPEAKER—The member for Dickson!

Mr Dutton—He pretends to be somebody he is not. What’s he still doing here?
The SPEAKER—The member for Dickson will leave the chamber for one hour under standing order 94(a).

The member for Dickson then left the chamber.

Dr EMERSON—Goodbye, goodbye, goodbye!

The SPEAKER—Order! The minister has not yet got the call. Minister.

Dr EMERSON—I do say to the member for Dickson: pack up your troubles in the old kit bag; it’s goodbye, goodbye, goodbye!

The SPEAKER—The minister will get back to his response.

Opposition members interjecting—

Dr EMERSON—This is nothing but rank opportunism. It is a naked attempt to distance themselves from their true past, from their true values. They say, ‘Oh no, we’re not with big business; we’re for small business.’ Last night and today, you betrayed the small business people of Australia. The only job you care about is your own.

The SPEAKER—Order! Before giving the call to the member for Boothby, I remind the minister that he should address his remarks through the chair.

Employment Services

Dr SOUTHCOTT (2.29 pm)—My question is to the Prime Minister. I refer the Prime Minister to the communications protocol for the $4.9 billion purchasing of employment services. The communications protocol specifically states:

All persons, and in particular those who have been identified as being in positions of potential influence, are required to refer or direct any purchasing related enquiries or questions to the aforementioned hotline, website or email address.

Can the Prime Minister confirm that these probity guidelines were adhered to in the government’s $4.9 billion purchasing of employment services?

Mr RUDD—I thank the honourable member for his question. Those guidelines exist. My assumption is that they have been properly adhered to. Should there be anything contrary to that, I am sure that we will inform the House.

Employment: Logging

Mr KELVIN THOMSON (2.30 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. Will the minister outline to the House the policies taken by the government in relation to supporting Australian jobs by combating illegal and unsustainable logging. Can he provide examples of dangerous and reckless logging practices?

Mr BURKE—I thank the member for Wills for the question. Illegal and unsustainable logging is often presented as being purely an environmental problem. It is of course also a very real threat to Australian jobs. You only have to visit a timber mill in the nation to see that people are perilously aware of the threat that can be posed by imports of illegal and unsustainable logging. To that end, the government is continuing to negotiate internationally to have methods of verification of and certification for timber in order to be able to ultimately prevent illegally logged timber from entering Australia. You need not only to be able to verify and certify what has been logged legally, which is the reason we have our agreements with both Indonesia and Papua New Guinea, but also to be able to have a level of cooperation where the processing itself occurs, which is why we have been having further discussions on that with China.

The question from the member for Wills also invites me to provide examples of where some appalling logging practices have taken place. I am reminded of the example of Axiom Forest Resources, a company that engaged in logging in the Solomon Islands in the 1990s, at the same time that the Leader...
of the Opposition was both its chairman and a shareholder. I read with interest an article earlier this year in the Sunday Telegraph. The title of the article is: ‘Malcolm Turnbull linked to mass logging operation in Solomon Islands’. It went on to report about the island of Vangunu, home to just over 2,000 people in the Solomons. The Leader of the Opposition’s company certainly left its mark on the island; it was never the same. A report provided by AusAID said:

… more like a clear-felling operation and bearing little relation to an attempt at even retaining a token sample of future commercial crop on the site.

Further:
The degree of canopy removal and soil disturbance was the most extensive seen by the authors in any logging operation in tropical rainforest in any country …

The impact from the destruction of the resource was such that, instead of it being done in a sustainable way, the resource was essentially shot to pieces and that then had an ongoing impact on the soil. When rain went through, the water would take in the order of 24 hours to a week to clear and, in the rainy season, the plumes became a semi-permanent feature.

It was also revealed in March 2007 that the chairman of that company bought in at $200,000 and sold out one year later for $25 million. That is not a bad story for the Leader of the Opposition but a pretty shocking story for the residents of that island in the Solomons. In a 1997 report into logging practices in the Solomon Islands, it was also revealed that complex corporate arrangements where consistently entered into to avoid tax. This is something that would be known fairly well by someone who has been willing to be an opportunist in this way—an opportunist who was also willing, as the minister for the environment, to describe rainforests as ‘the lungs of the world’ some years after he had decided to be part of an operation that was clear-felling the lungs of the world.

Mr Pyne interjecting—

Mr BURKE—We have the Manager of Opposition Business wanting to talk about ‘Where is there a smear? Where is it grubby?’ I tell you that it certainly was for the people living in the Solomons; it certainly was for them. They certainly had a resource shot to pieces. They certainly had to deal with something. What was the role, as the chairman of the company, that the Leader of the Opposition when this came to light described himself as having:

My only involvement with the company was as a corporate doctor.

Well, a doctor that may well have made the company pretty healthy but left the Solomons feeling pretty sick. The people of this former island paradise do not thank the Leader of the Opposition, the doctor, for his prescription. They live with it every day. They live with the cash grab. They live with the resource destruction of a first-grade political opportunist—someone who might be willing to cover Australian farmland with trees while he is clear-felling the islands of the Pacific.

Employment Services

Dr SOUTHCOTT (2.35 pm)—My question is to the Prime Minister. Is the Prime Minister aware that the day after contracts were awarded in the $4.9 billion employment services contract there was an email exchange discussing the details of the tendering process between the Chief of Staff of the former Minister for Employment Participation and the Chief Executive Officer of Mission Australia in which the Chief Executive Officer of Mission Australia wrote: ‘Thanks for the time you and the minister have made available to us over the last few days.’ Is the Prime Minister still satisfied that all probity
guidelines were strictly adhered to in this $4.9 billion process?

Mr Albanese—Mr Speaker, is that a serious question under the standing orders?

The SPEAKER—That is not a point of order. The question was in order. The Prime Minister has the call.

Mr Rudd—Thank you very much, Mr Speaker. The first part of the answer to the honourable member’s question is: no, I am not aware of that exchange. Secondly, as I listened carefully to the honourable member’s question it referred to contact between Mission Australia and the minister’s office. I would have thought that such contact was a normal matter of discourse between a minister’s office and an organisation like Mission Australia. As I said, I am unaware of the actual transaction which the honourable member refers to, but can I just say more broadly about the government’s engagement with Mission Australia that we are dealing with Mission Australia all the time on questions of local jobs initiatives and on providing services to the homeless. I would regard this as being a normal exchange. I wait for further information on which I could base a further reply.

Economy

Mr Craig Thomson (2.38 pm)—Mr Speaker, my question is to the Minister for Finance and Deregulation. How is the global recession affecting the Australian economy? Why is it important to recognise the threat that the global recession poses to Australian jobs?

Opposition members interjecting—

The SPEAKER—Several comments on my left I am ignoring but I will not ignore them all the time. The sort of remarks that were made are not helpful for the proper conduct of the chamber.

Mr Tanner—Thank you, Mr Speaker. I thank the member for Dobell for his question. The global recession is a very serious threat to the Australian economy and to jobs in Australia. Around the world, economic activity, trade, jobs, credit provision and government finances have been plummeting as a result of the global recession and that is inevitably impacting directly on the Australian economy through lower mineral prices, changes in the terms of trade, less investment and lower confidence in the Australian economy, and therefore it constitutes an enormous threat to jobs in the Australian economy.

That is why the government has responded through bank guarantees, through stimulus packages and through longer-term investment in infrastructure—all directed towards sustaining activity and jobs in the Australian economy. I have to confess that none of that is really much news to most Australians because people have been seeing it night after night on their TV screens. Most people are well aware of the fact that the global recession constitutes an enormous threat to jobs in the Australian economy. It is not a secret for most Australians but it does appear that it is something of a secret to at least one group of Australians—namely, the Liberal Party and the National Party opposition, because they do not appear to be fully aware of the threat that the global recession is posing to the Australian economy.

Like many other members of the House, I do not get a huge amount of leisure time up in Canberra. It is one of those circumstances where you do not get much chance to relax, but every now and then I manage to chill out a bit and have a cup of coffee or something like that. I admit it: I do that every now and then. Yesterday was one of those occasions when I managed to get an opportunity to relax for a bit, and I stumbled across a Liberal Party leaflet and had a bit of a read of it.
I admit that some people could suggest that this behaviour is a little odd—that for entertainment and leisure I am reading Liberal Party leaflets—but I plead guilty. They are pretty exciting! They are pretty interesting things! It is a very interesting leaflet. It is headed *Recovery for Australia*. It has a nice picture of the Leader of the Opposition on it and it has a little survey that asks you questions like what you think are the most important things in the budget, including paying back ‘borrowed debt’. Borrowed debt! They make sure that you get the message about what kind of debt it is.

There is an interesting thing about this leaflet and that is that all the way through there is not a single mention of the global recession. There is not one mention of the global financial crisis battering the Australian economy, not one mention of the collapse in government revenue that has flowed from the global recession, not one mention of the change in the terms of trade and not one mention to people of the massive threat to jobs that is constituted by the global recession.

Sometimes some Australians claim that politicians are out of touch. This Liberal leaflet is exhibit A in the case for the prosecution of politicians for being out of touch, because those in the Liberal Party are just like their forebears in the 1930s—those characters with the bowler hats, the waistcoats and the canes and all that sort of stuff. You can just see the Leader of the Opposition being exactly the same—totally uncaring, totally unconcerned about jobs and in complete denial about the threat of the global recession—and in that case the threat of global depression to jobs. He is in complete denial, just like many of his colleagues are in complete denial about climate change. There are places you can go to get help for this problem of denial and I would recommend to the Leader of the Opposition that he might try that. You sit around in a circle and then you pop up and say, ‘I’m Malcolm and I’m an investment banker.’ And then everybody gets together and has a chat about it all.

The problem for the Australian community is that the Liberal Party today is exactly the same as the outfit in the 1930s—completely unconcerned about jobs, completely unconcerned about the impact on the small businesses of Australia of the collapse of economic activity around the world and its impact on the Australian economy. Well, the government does care about jobs in this country. The government does care about economic activity and livelihoods of businesses in this country. And that is why, like so many other governments around the world, we are acting decisively to stimulate economic activity in order to sustain jobs and sustain business activity in the Australian economy.

**Employment Services**

Dr SOUTHCOTT (2.43 pm)—Mr Speaker, my question is again to the Prime Minister. Given that the probity requirements in the communications protocol for the $4.9 billion tender, which involved 3,000 bids from over 400 organisations, specifically prohibits any discussions relating to the purchasing process, will the Prime Minister now advise the House what communications relating to the purchasing process took place between the former Minister for Employment Participation, his chief of staff, Mission Australia and any other tenderers during the probity period?

Mr RUDD—I refer the honourable member to the answer to his earlier question. I would draw his specific attention to the points that I raised there, and if he has any further information to raise with the House then of course we will look at it. Can I just say to the honourable member: the govern-
ment has a strong relationship with the community sector and with community sector organisations like Mission Australia, who do a first-class job. Secondly—

Mr Pyne—Mr Speaker, I rise on a point of order in terms of relevance. The Prime Minister was asked a very specific question about whether he would advise the House of any potential breaches of the probity process involving the employment services contracts. We want to know whether he will come back and advise the House after the investigations he makes after question time today.

The SPEAKER—The Manager of Opposition Business will resume his seat. The Prime Minister is responding to the question.

Mr Rudd—Again I refer the honourable member’s attention to the answers I gave to the two earlier questions. On the question of Mission Australia, can I say the government has a good relationship with Mission Australia. They do an excellent job in the community on jobs and on homelessness. We work with them all the time. I always find it passing strange when those opposite stand up at the dispatch box and make statements like this without any point of reflection on their own engagement in something to do with the dispensing of projects to various National Party electorates in previous times, which is the subject of two Auditor-General’s reports. I would suggest they reflect on that further.

Dr Southcott—Mr Speaker, I rise on a point of order—

The SPEAKER—The Prime Minister has concluded.

Mr Perrett—Go back, attack chihuaha!

The SPEAKER—The member for Moreton will withdraw.

Mr Perrett—I withdraw, Mr Speaker.
had the Nationals dividing against the Liberals. Then, of course, some of the Nationals divided against other Nationals and some of the Nationals divided against some of the Liberals.

Can I just say to those opposite that these matters before the Senate now equal the future of Australian industry and the future of Australian jobs. The honourable member mounted a campaign against his predecessor on the fact that he was going to be greener and cleaner than the member for Bradfield—I think that was the case: greener and cleaner. Brendan nods that that was the case: that was the campaign launched against the member for Bradfield. I have always said about the member for Bradfield: he always stood for what he believed in, as opposed to certain other members who have replaced him.

Notwithstanding having rolled the member for Bradfield as the Leader of the Opposition on a clean, green approach to climate change, one which has singularly unified all members sitting opposite, we have of course the Climate Institute providing us with advice in their 2009 study about the employment impacts from wind, solar and bioenergy. That analysis shows that the implementation of clean energy projects across Australia would result in some 26,000 new jobs. Furthermore, what it says is that 2½ thousand new ongoing positions would occur in power stations and there would be 15,000 construction jobs and 8,600 indirect jobs in supporting sectors.

But this is where it gets interesting in terms of where the jobs are concentrated. The report advises us that it will be focused in regional centres such as Wollongong—I am sure the member for Cunningham would be pleased about that. Yass—I am not sure whether the member for Hume would welcome additional jobs in Yass. Alby? Wagga Wagga—where does the member for Riverina stand in terms of new jobs in Wagga Wagga? I would suggest she reads this report as well. Cooma and Bega—I know for a fact that the member for Eden-Monaro would be supporting extra jobs in his electorate. Scottsdale in Tasmania—I think the member for Bass supports jobs in her area. Portland in Victoria—I am sure the member will be supporting jobs there. Port Augusta in South Australia—what about the member for Grey? Where does the member for Grey stand on extra jobs in their area? And Albany in the west, where the good old member for O'Connor comes from—the good old member for O'Connor, who is now up and running as the next candidate for the leadership of the opposition, out there, I am sure, supporting renewable energy jobs in his electorate.

If we are going to act on climate change, a couple of things are necessary. We need to get a CPRS through the Senate. The Liberal Party and National parties are so divided they do not know what to do about it. We need to get renewable energy targets through the Senate—the Liberal Party and National parties are so divided they do not know what to do about it.

Mr Hunt interjecting—

Mr Rudd—But can I just say to the ever-interjecting member for—

A government member—Flinders.

Mr Rudd—Flinders—thank you. I was going to say something else, but I will not—that the future of rebates for people wanting to buy solar panels in the future depends on the passage of the renewable energy target legislation—

Mr Hunt—You’re talking about solar after last week’s performance? You are a champion!

Mr Rudd—the member for Flinders again objects very loudly, as he is often
given to do. The member for Flinders, a bit like the member for Curtin, has had ample opportunity to ask questions on a particular matter but they never seem to come. We have been having a debate about solar panels for how many days now? Quite a while. We have been having a debate about the CPRS for a few weeks and nothing seems to be coming.

Why is it, member for Flinders, that the 26-member strong opposition tactics committee has not given you a single question yet on solar rebates? Not one! Why has the member for Flinders been neutered on this question? We may ask: why has he been neutered on this question? There is a reason: because they are terminally divided on what to do on the RET. This is where the rubber really hits the road. The future of working families’ ability to get renewable energy certificates, to get a discount on future solar panels, depends on whether the Liberals and Nationals will block legislation in the Senate on the renewable energy target. It is as simple as that. That is the bottom line. Therefore, they are being consistent with what they have done in the past—blocked the CPRS; blocked the Australian Business Investment Partnership; threatened to block the renewable energy target, as the Nationals indicated yesterday—in this permanent cycle of negativity.

But put politics to one side—jobs are at stake here. The ability of working families to get a discount for their solar panels is at stake here as well. So I say to the Leader of the Opposition, who is now freed of the spectre of the member for Higgins behind him taking over the leadership of the Liberal Party: it is time for the Leader of the Opposition to stand up and be counted. Pass the CPRS legislation. Pass the renewable energy target legislation. And, on the way through, give the member for Flinders a question so he can ask one in the House.

Building the Education Revolution Program

Mr PYNE (2.53 pm)—My question is to the Minister for Education. I refer the minister to the Grays Point Public School, in the electorate of Cook, which has been instructed to spend its $2½ million grant under the schools stimulus debacle on a school hall of a style that cost $900,000 a year ago. Why won’t the minister do the right thing and refer the waste and mismanagement of this program to the Auditor-General?

Ms GILLARD—Of course I will look at the matter raised by the member for Sturt, but I will make the caveat that, in terms of questions raised by him and members opposite in this House, we are yet to see any of the facts being right. The facts are never as they are represented by them in this parliament. So I will check that.

But what I will say to the member for Sturt, and what he may not realise—he obviously does not know much about this program, because of the continued misrepresentations he makes in relation to it—is that the expenditure on this program is calibrated so buildings are constructed and there is the fit-out of them so that they are fit-for-purpose. I actually explained this to the member yesterday, during the MPI. He was wandering around a bit, so he may have missed this part of the explanation: when you are comparing quotes, it is very important that you are comparing them for the same purpose.

Mr Pyne interjecting—

The SPEAKER—Order! The member for Sturt has asked his question.

Ms GILLARD—Many of the quotes that have been used in the public debate around this have been the sort of per-metre construction quotes you get if you are putting up the building but not fitting it out. As I remarked during the MPI yesterday, and as anybody would know who has been a builder of a new

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home, or perhaps has done a renovation of their own home, there is a difference between the costs of the lock-up stage and it being completely fitted out. For example, if you were constructing a kitchen to lock-up stage, you would get a particular quote per metre. If you were doing all of the fit-out—the sinks and the electrics that would go with it—

Mr Pyne—Mr Speaker, I rise on a point of order. The minister was asked why she would not refer this matter to the Auditor-General. She has not yet cleared up why she will not refer this program to the Auditor-General. Why won’t she just do the right thing and have the Auditor-General look at it?

The SPEAKER—Order! The member for Sturt will resume his seat. The Deputy Prime Minister is responding to the question.

Ms GILLARD—I was asked about building costs at a specific school, and I am explaining the way the Building the Education Revolution program works, for the member to try and understand so he can stop the cycle of coming into this parliament and misrepresenting this program for base political advantage—while he refuses, of course, to generate anything that looks like an education policy for the opposition. So the simple point to the member for Sturt is: I will look at what he has raised, but the Building the Education Revolution program includes the cost of the building being fit-for-purpose, so it will include the cost of things like interactive whiteboards, seating, sound systems in halls and the like. Consequently, when you look at those, they are built into the project costs and we will see whether or not the shadow minister is really making an appropriate comparison with those figures.

But what I can also say to the member for Sturt, given he has asked me about Building the Education Revolution program—and this will be a matter that interests him a great deal—I think—is that I have had a look today at the words in the East Torrens Messenger, a local newspaper in the member for Sturt’s electorate.

Mr Pyne—A very good newspaper!

Ms GILLARD—He is yelling out, ‘A very good newspaper’. Well, I am glad he is of that view, because the East Torrens Messenger today records the words of Cathie Wilson, the principal of the Stradbroke school—

Mr Pyne—A very good principal, too!

Ms GILLARD—The shadow minister is agreeing with me that she is a very good principal, so I hope that he is going to agree—

Mr Pyne—A very strong supporter of mine!

Ms GILLARD—A very good supporter of the shadow minister, and a woman whose counsel he should take, said the following with respect to the money coming to her school:

This is the first time we’ve had a new building at the school in 30 years. The kids are thrilled. They’ve been asking for a larger gym for a long time, because we can’t fit the whole school into our current one.

That is a quote from a woman the shadow minister says he respects, who is a very good principal, who is a supporter of his—and what does that very good principal and woman he respects say? She says the Building the Education Revolution program is making such a difference for her school that the kids are ‘thrilled’.

But that is not the end of the words of wisdom in the East Torrens Messenger today, because the East Torrens Messenger today also contains an article headed ‘Funding gets a gold star’. It is referring to the Building the Education Revolution programs at Burnside...
Primary School. The principal of Burnside Primary School, Frank Mittiga, says, ‘This is something that will go a long way to supporting children in reception to year 5.’

I say to the member for Sturt, if he would just stop giggling and squealing for one moment and think what his role is in this parliament, his role in this parliament is to come to it and represent the views of the community in Sturt. Through his own local newspaper today, the community in Sturt is speaking loudly to him about their support for Building the Education Revolution. The only thing I hope is that on his return to his electorate the member for Sturt has got the guts to go to the Stradbroke School and to the Burnside Primary School and look both principals in the eye—

Mr Pyne—That is the school I went to.

Ms GILLARD—Well, he can go back to it and have the guts to look the principal in the eye and say: ‘If I had my way you would not get one cent. If I had my way not one child in this school would benefit from Building the Education Revolution.’ I suggest to the member that if he has got the guts to do that, between giggling and squealing, he should then come back to this parliament and report on exactly how those conversations went.

Emissions Trading Scheme

Mr MELHAM (3.01 pm)—My question is to the Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change. Would the minister outline any barriers that exist to Australia reducing its carbon emissions?

Mr COMBET—I thank the member for Banks for the question. The Carbon Pollution Reduction Scheme is the most significant environmental reform that has been attempted in this country. It is the means by which we as a nation can reduce our carbon pollution and achieve the targets that the government has set out by 2020. It is such a significant environmental and economic reform that many, particularly in the business community, have called for a bipartisan approach to this issue to deliver a greater investment certainty environment for business. And yet what the government has encountered is nothing but obstruction by the opposition. The fact is that the biggest barrier at this point in time to the passage of this important environmental reform is the coalition. Importantly, we know that the Leader of the Opposition, on behalf of the coalition, has made a number of important statements. It appears from that commentary that it is accepted by the coalition that action on climate change is necessary. From the comments made it also appears that the coalition supports the government’s targets for reducing emissions. And there has been a recognition by the Leader of the Opposition that there will be an emissions trading scheme in Australia at some point in time. These are important comments that have been made by the Leader of the Opposition on behalf of the coalition.

It is therefore a legitimate question to ask: why has there been nothing but opposition and nothing constructive put forward by the coalition? All that we have seen are excuses for the delay. The underlying reason for this position, it is clear, is the division in the opposition ranks over this important issue and that, as we approach the debate in the Senate over the CPRS, is what is holding up such a fundamental environmental reform. We know that the coalition is peppered with climate change sceptics and others who are simply opposed to any action on this issue. Senator Bernardi, a member of the coalition, is on the record as saying that humans are not even responsible for climate change. Senator Abetz apparently believes that weeds are a greater threat than climate change. The National Party, as stated repeatedly by Sena-
tor Joyce, is flatly opposed to emissions trading.

Further evidence of the division amongst the opposition is contained in the report released this week of the Senate Select Committee on Climate Policy, which is chaired by the coalition. Paragraph 2.36 of that report states:

The balance of the evidence discussed above suggests that climate change is occurring, is driven by anthropogenic factors and is a grave threat to accustomed ways of life and natural systems. If this view is right, the calculations above make a virtually unarguable case for taking global action.

But Senator Cash of the coalition issued a minority report choosing to differ. It stated the following:

I do not believe that this properly reflects the balance of evidence in terms of the science of climate change.

This is just further evidence of the division in the coalition over this important issue that is frustrating the passage of such a significant environmental reform. The fact is that with the CPRS due to be debated shortly in the Senate it is time for the coalition to take responsibility and to act in the interests of the Australian people in dealing with climate change. The coalition needs to support action on climate change. It is time to put aside the excuses for delay. It is time to listen to the business community, which wants investment certainty and which is arguing for the passage of this legislation. It is time to put positive suggestions forward and not excuses. It is time for the coalition to support the CPRS. It is time for the coalition to support the government’s renewable energy legislation and to do what the Leader of the Opposition knows is right for this country: to take action on climate change and pass this important legislation as soon as possible.

Building the Education Revolution Program

Mr BILLSON (3.06 pm)—My question is to the Minister for Education. I refer the minister to Langwarrin Primary School, in my electorate of Dunkley, which is being required by state government officials to accept the demolition of an existing building to be replaced by a new building of the same sort as opposed to the plans put forward by the school community to reuse and refurbish the existing building in a more sustainable way and to construct new facilities at a lesser cost. Given that state government education officials falsely claim that the school community is ‘eagerly looking forward’ to the demolition and building works when this is clearly at odds with the school’s public statements, will the minister intervene to help overcome this mismanagement and assist the local community in getting what they are looking for out of the funding available?

Ms GILLARD—I thank the member for his question, which is a more responsible one than we are used to from the opposition. What I can say to the member is that, of course, if there is a concern by a school in his local community that he wants addressed then I am very happy to assist him with that. We have assisted many members of the opposition, in fact, who have come and raised individual issues, and I am happy to do that. Of course, we will work through the issues with him that are raised and assess the views of the school community.

What we have always been very clear about with the Building the Education Revolution process and guidelines is that consultation does need to occur with school communities so that school communities can work their way through whether their preference is for a multipurpose hall or a library or whether their preference is for classroom refurbishments, and obviously they then
work through project questions and issues. I am very happy to work with him on the Langwarrin Primary School. I understand that the primary school has been approved for $200,000 of National School Pride funding, and I do not understand the member to be raising any issues in relation to that. That is going for an undercover learning area, which I am sure the school is very excited about getting. The school has been approved for $3 million of funding under the Primary Schools for the 21st Century program for the construction of a new library. If there is an issue about that new library that the member would like to pursue with me, I am very happy to help.

**Rail Infrastructure**

Mr CHEESEMAN (3.09 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Minister, how is the government investing to support jobs today to build the public transport infrastructure that Australia needs for tomorrow?

Mr ALBANESE—I certainly thank my colleague, who is a fine representative of the Geelong region, for that question. He along, with the member for Lalor, the member for Bendigo, the member for Ballarat, the member for Gellibrand and others, particularly in western Melbourne, have welcomed the government’s commitment to public transport investment.

Today, along with the Victorian Minister for Public Transport, I have announced that up to six new stations will be built as part of the $4.3 billion Regional Rail Express. In addition to the construction of stations at Manor Lakes in Wyndham Vale and Rose Grange in Tarneit, land has also been put aside for station development at Dohertys Road in Truganina, Davis Road in Tarneit, Sewells Road in Tarneit and Black Forest Road in West Werribee. The full construction is scheduled to start next year—construction which will support literally thousands of jobs. Through our nation building for recovery plan we are investing today in the infrastructure that we need for tomorrow. This is all part of our sweeping investment in rail. We are investing more in the next 12 months than the previous government did in 12 long years.

This has been well received by people in the infrastructure sector. Brendan Lyon, Executive Director of the peak organisation Infrastructure Partnerships Australia, has said this:

> Urban rail has been neglected for too long.  

This Budget marks the first time that a Commonwealth Government has recognised the importance of public transport to the mobility, liveability and productivity of Australia’s cities.

Don Henry from the ACF has said:

> … $4.6 billion for urban public transport will be good for the planet, good for cities and good for jobs.

The Rudd government understands that a competitive, safe and reliable rail network is critical to lifting national productivity, critical to curbing the escalating cost of traffic congestion, and an important component of our whole-of-government approach to tackling climate change.

**National Education Standards**

Mr OAKESHOTT (3.12 pm)—My question is addressed to the Deputy Prime Minister in her capacity as the Minister for Education. Minister, in reference to the National Curriculum Board document titled *Shape of the Australian curriculum—history*, dated May 2009, can you clarify the discrepancy between page 8, which indicates primary students will learn about the world wars and, page 11, which indicates that secondary students will jump from World War I history to post-World War II immigration. Minister, if
true, would you agree that this omission of World War II history at the secondary level leaves a significant hole in the story of Australia for students? If true, and if she shares concerns on this, will she undertake to review this decision and look to include World War II history at the secondary level as part of the national curriculum agenda?

Ms GILLARD—I thank the member for his question. The one thing I can say to him—and I want to assure every member of the House of this, and I think it is an important point—is: I am certainly not writing the curriculum and it is not my intention at any stage to intervene in the process of the development of the national curriculum. I know that the approach of the former government was to play these issues out for grand public debate in the hope that they could get some political advantage in relation to them. But the important thing out of all of the curriculum wars and history wars engaged in by the Howard government, after acres and acres of newsprint, is that they never managed to get a national curriculum in this country.

We are substituting that track record of failure with a successful process to deliver a national curriculum. I am very happy to say to the member that if he would like to talk to the head of the National Curriculum Board, Barry McGaw, we can facilitate that. I can also say to the member—and he has probably seen this through the history framing papers, through the consultations that have gone on in history; the same sorts of consultations that happened in English and other things—that Barry McGaw has been very consultative and very clear that teaching the history of Australia will be a narrative of the principal events, obviously including World War II and all of the significant conflicts and engagements of this country.

He has been interviewed extensively and that sort of framework for the curriculum is clear. The framing papers and discussions to date have received a lot of positive feedback. We want Australian students to get a feel for every part of the history of this nation and—obviously, as students progress through school—to get a deeper and deeper understanding of events. I am very happy for the member to talk to Barry McGaw. I am very happy to forward him all of the documents that have been made available publicly. I think he will find in those documents that it is very clear that all significant events, including World War II, will be covered in the history curriculum.

People Trafficking

Ms GEORGE (3.15 pm)—My question is to the Minister for Housing and Minister for the Status of Women. Will the minister update the House on the government’s progress in supporting victims of people trafficking?

Ms PLIBERSEK—I want to thank the member for Throsby. I know she has had a very long history of interest, involvement and activism in this area. There is no-one in this House, I am sure, who underestimates the seriousness of the crime we are talking about today or dismisses the criminality of the people involved, whether that trafficking is for the purposes of sexual servitude or labour exploitation. Today the government announced changes to the support provided to victims of trafficking that will provide greater support to more victims of trafficking and support efforts to prosecute those who have trafficked these people. This issue crosses portfolios, and I want to acknowledge and thank my colleagues the Minister for Home Affairs, the Minister for Immigration and Citizenship, the Minister for Foreign Affairs and the parliamentary secretary. I want to pay particular tribute to the previous Minister for Home Affairs for his efforts in setting up the roundtable on people trafficking, which has resulted in so much good
work and so many good outcomes over the last year in this area.

Today’s efforts will simplify the visa framework as it applies to people who have been trafficked. It will provide greater support to more victims of trafficking and support efforts to prosecute perpetrators of the crime. All victims will now be able to access support, irrespective of their current visa status. The immediate period of support will be extended from 30 days to 45 days and provided to all victims of people trafficking. We will also provide 90 days of support for victims who are willing to assist police but may be too traumatised to do so. There are a number of other changes as well. I recently appointed the Red Cross to manage the support program for victims of people trafficking, and I was very pleased with that appointment. The Red Cross have international and Australian experience in supporting very traumatised people, including refugees and asylum seekers, and are a very appropriate organisation to provide this support to very vulnerable and distressed people.

Today’s announcement has been widely welcomed and supported by individuals and organisations that have campaigned in this area. Professor Jennifer Burn, the Director of the University of Technology’s Anti-Slavery Project, said:

This amendment is in accordance with international best practice. These amendments will make an enormous difference to our clients.

Nina Vallins, the Coordinator of Project Respect, said:

Project Respect welcomes the changes announced by the government today, which will significantly advance the rights and protection of victims of trafficking in Australia. These changes will make Australia a world leader in this area.

Sister Stancea Vichie, the Chair of Australian Catholic Religious Against Trafficking in Humans, said:

The announcements made by the government today will enhance the protection and support for all people who have been trafficked into Australia.

The President of the Australian Human Rights Commission, Catherine Branson, and the Sex Discrimination Commissioner, Liz Broderick, praised the changes as humanitarian and compassionate improvements which will help people recover from appalling violations of their basic human rights. These changes are a very important measure to help victims of trafficking recover from the trauma of this horrific crime. At the same time as our treatment of victims becomes more flexible and compassionate, our resolve to prosecute the perpetrators of this dreadful crime is undiminished. I am sure that all members of this House agree that this crime must be prevented in Australia and around the world and that those who profit from it should bear the full force of the criminal law.

Building the Education Revolution Program

Mr BRUCE SCOTT (3.19 pm)—My question is to the Minister for Education. I refer the minister to reports that the Beechmont State School has been granted $1.8 million through the school stimulus debacle for a concrete undercover play area, including sports facility, kitchen, stage and toilet—they had planned for the same price. Does the minister agree with the Beechmont Hall Committee Treasurer, Greg McKenzie, who said, ‘With no tender process, the school was never going to get a good deal’? Why won’t the minister now do the right thing and refer the waste and mismanagement of this program to the Auditor-General?

Ms GILLARD—I am happy to discuss the circumstances of that individual school with the member. I must admit I did not even quite catch the name of the school.
Mr Bruce Scott—Beechmont.

Ms GILLARD—Beechmont. I think the member would be aware that he is an example of a member in this House who has from time to time raised issues about our Building the Education Revolution Program and we have responded. When he has asked us about individual matters, we have responded in a way that has met with his approval. Despite the fact that the opposition opposed the program holus-bolus, we have worked with individual opposition members—including the member who raises the question.

What I want to explain to the honourable member in response to the question about tenders and costs—and I explained some things earlier in my answer to the member for Sturt—is the way the estimates end up being refined into project costs. It may depend at what stage of the process he has got the figure from. It may be from an early stage of the process and there has been some refinement of the costs. In Building the Education Revolution program initial estimates of costs are provided to the Commonwealth and they are based on the extensive experience of state and territory and block grant education authorities, and funding is approved based on those estimates. The people who run schools give us estimates that in their experience have proven to be correct estimates of costs. Then tenders are sought for managing contractors, who will then hire subcontractors in local areas to undertake the work. They may project manage a number of projects across a region. Quotes or tenders are then sought for individual projects. In many cases, design and construction contracts are being used to fast-track the process. This means that the builder works with the design team, architects and engineers on the job.

Quotes will include some money allocated for contingencies, which may be things like unforeseen problems with the site or excavation problems. When quotes are finalised, schools may find they have funding available to do more than was originally envisaged. They can then seek an agreement for a project variation from the Commonwealth if what is planned was not within the scope of the original approved project. When buildings are progressed to a certain point and all concerns about contingencies have been addressed, decisions will then be made with school principals about how the contingency amount can be used either to enhance the existing approved project, or projects, or to add a second project if there was only one initial project approved.

I think the member can see from that process that, in relation to the original cost estimates, we are relying on the historic experience of those who run schools, state and territory governments, and the block grant authorities in the Catholic and independent school system. Then we go through a tender process, which obviously refines costs. Then we go through a project delivery process, where of course some money is kept in reserve for contingencies because when you are building things, as people would know from home renovations and residential construction, you can hit contingencies. Then when you come to the actual costs, if there is a project variation, there is a way of dealing with the approval of that. If at the final stage you have money left over then we can enter into an agreement with the school as to the use of the money that is left over.

This is a considered and thoughtful process that has checks and balances at every stage. I accept that the member—

Mr Pyne—Mr Speaker, I rise on a point of order. The minister was asked whether she would refer this debacle to the Auditor-General. For some reason she refuses to answer that question. I draw—
The SPEAKER—The member for Sturt will resume his seat! The question had a pre-amble and raised a matter of specificity. The Deputy Prime Minister has responded to that. I am not in the business of marking the correctness of answers, but I would have thought that the information that was being given was totally relevant to the question.

Ms GILLARD—I have provided that comprehensive information because I know from my dealings with the member about the Building the Education Revolution program—notwithstanding the fact that he voted against it—that he is involved in helping his local schools. I have responded to it on the basis that it is an honest question.

I understand that the tag line is part of the political campaign of the shadow minister for education, the member for Sturt, to besmirch this program. He might choose to do that, but the reality is—and members know it as they move around their local communities—that this is being seized by schools as an opportunity to deliver the infrastructure they need for tomorrow and it is being seized by local communities to deliver jobs today. Responsible members of the House know that and are responding to that. Unfortunately, those who squeal, wail and moan sitting on the opposition side here do not acknowledge that.

Electronic Security

Mr GEORGANAS (3.26 pm)—My question is to the Attorney-General. Will the Attorney-General outline what the government is doing to protect Australia’s e-security in light of a recent report which found that security breaches cost small and medium businesses $600 million in 2007?

Mr McCLELLAND—I thank the honourable member for Hindmarsh for his question. The threat of electronic security incidents was outlined recently in a report of the Australian Institute of Criminology entitled Australian business assessment of computer user security. It estimated that business sustained losses in the order of $595 million up to $649 million as a result of electronic security threats. The government believes that these identified threats are probably only the tip of the iceberg. The Prime Minister indicated in his National Security Statement last year that electronic security is indeed now a national security priority.

Obviously, it is in the interests of the broader community and the economy for there to be complete faith and confidence in the viability of commercial transactions undertaken over the internet. That is why in the last budget we committed some $8.8 million in additional funding to initiatives in the civil area, as opposed to the defence area with high-end technologies, to deal with the threats posed by electronic security incidents. In particular, we have established a new computer emergency response team to act as the single point of contact for businesses, homes and schools to identify threats and vulnerabilities and of course to communicate information about strategies to protect electronic systems. This is in addition to the initiatives announced in the defence white paper to establish the Cyber Security Operations Centre. That centre will be staffed by representatives of the Australian Defence Force, my department and the Australian Federal Police. It will be a 24-hour, seven-day-a-week watch centre. That watch centre will be able to provide better situational awareness of what is happening broadly on the internet and achieve better coordination.

These initiatives build on activities that are already occurring. For instance, my department has provided briefings on electronic attack threats to some 460 companies. There is a regular exchange of information through the Trusted Information Sharing Network and the Australian Federal Police have developed sophisticated investigation tech-
niques to identify and prosecute those engaged in electronic security incidents. Also, the Department of Broadband, Communications and the Digital Economy engages in a number of programs to promote electronic security awareness to homes, small businesses and schools. Indeed, on a related topic I note that the Deputy Prime Minister indicated last week an outstanding program to address cyberbullying in schools.

In summary, the government takes threats to electronic security very seriously. We are adopting a holistic approach to ensuring online security for the government, for critical infrastructure and for the broader community. Any member of the community, whether they be in a business, a school or a home, who has concerns about this area should refer to my department’s website for details of relevant contacts, who will be able to provide assistance.

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

PERSONAL EXPLANATIONS

Mr BRIGGS (Mayo) (3.30 pm)—Mr Speaker, I seek to make a personal explanation.

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

Mr BRIGGS—I do.

The SPEAKER—Please proceed.

Mr BRIGGS—In answer to a question, the Minister for Financial Services and Regulation misrepresented me by partially quoting something I said this morning on the Sky News Agenda program suggesting I was pleased to see jobs placed at risk with Rudd-bank being stopped in the Senate. In fact what I said on the program was that coming from South Australia, a state sent broke by Labor bankers, we were pleased to prevent Labor getting back into banking.

Mr RAMSEY (Grey) (3.32 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr RAMSEY—Yes.

The SPEAKER—Please proceed.

Mr RAMSEY—I refer to the Leader of the House yesterday at the close of question time, when he referred to me:

Indeed, the member for Grey, a true coalition opportunist, said this on radio the other day: ‘I’ll attend the opening of any infrastructure programs.’

The problem is that when people selectively quote and take small parts of quotes they do not give the meaning. What I actually said—

Mr Albanese—Under the standing orders, a personal explanation must be raised at the first possible opportunity. The member for Grey is referring to question time yesterday, not today, and therefore this by definition is not the first possible opportunity.

The SPEAKER—Under the assumption that this is the earliest time, having consulted the Hansard record, I will allow the member for Grey to proceed, but he will make his—

Ms Macklin—Harry, too soft!

The SPEAKER—Very soft and generous. The member for Grey has the call.

Mr RAMSEY—I appreciate your call, Mr Speaker. It is the first opportunity I have had. What I did say was: ‘I’ll attend the opening of any infrastructure programs. We’re going to get our share of the debt. We should get our share of these projects.’

AUDITOR-GENERAL’S REPORTS

Report No. 41 of 2008-09

The SPEAKER (3.34 pm)—I present the Auditor-General’s Audit report No. 41 of 2008-09 entitled The Super Seasprite—Department of Defence.
Ordered that the report be made a parliamentary paper.

**DOCUMENTS**

Mr ALBANESE (Grayndler—Leader of the House) (3.34 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* and I move:

That the House take note of the following documents:

- Migration Act 1958—Section 486O—Assessment of detention arrangements—2009
- Personal identifiers 534/09 to 552/09—Commonwealth and Immigration Ombudsman’s reports. Government response to Ombudsman’s reports.

Debate (on motion by Mr Pyne) adjourned.

**MINISTERIAL STATEMENTS**

Wellbeing of Australia’s Children

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (3.35 pm)—by leave—Today the Australian Institute of Health and Welfare released its comprehensive report on children’s wellbeing, *A Picture of Australia’s Children 2009*. I congratulate the institute for the excellent work that they have done on this report and their other very high-quality research. The positive news is that there has been a decline in child mortality rates, mostly due to a fall in deaths through injury. There are also favourable trends in some risk and protective factors, such as an increase in immunisation coverage, decline in teenage births and a reduction in smoking rates among older children.

However, on a number of other fronts, the picture is sobering. The number of children subject to child abuse and neglect remains unacceptably high. Far too many children are homeless or at risk of homelessness, or are victims of assault. The report also shows that outcomes for Aboriginal and Torres Strait Islander children are far worse than for non-Indigenous children across a broad range of indicators. The mortality rate for Indigenous children is more than twice that of other Australian children. They are five times more likely to be born to teenage mothers and have low birth weight. As they grow up, they are 24 times more likely to be in juvenile justice supervision. It is the right of every Australian child to have a safe, healthy and happy childhood. This is what drives the Australian government’s child centred family policy. The best interests of children are a national priority—from the day they are born.

If children are to have the best start in life, they need the time and space to bond with their primary care giver. This is absolutely vital for their emotional, cognitive and physical development that is the foundation of lifelong resilience. And putting the best interests of Australian babies first, the Australian government has taken the landmark decision to commit $731 million over five years to Australia’s first comprehensive, statutory paid parental leave scheme. Paid parental leave will be available to some 148,000 mothers and primary carers each year so that they can spend time with their children in those critical early months.

To provide ongoing support for families, we have introduced significant reforms to keep our children safe and well. Working collaboratively with the states and territories, the Australian government has reached agreement on the development of a national framework to address child abuse and neglect. We are investing $63 million over four years to establish the first National Framework for Protecting Australia’s Children 2009-2020. The national framework represents an unprecedented level of cooperation and commitment between all levels of government and non-government organisations.
to protect our children. This includes developing ambitious national standards for out-of-home care so children who cannot be cared for by their parents receive the quality care and support that they need.

As part of the national framework we are also:

- implementing national workforce development projects to improve the skills and capability of services working with families and children;
- improving information sharing and data consistency so that vulnerable children and their families do not fall between the cracks; and
- establishing a national research agenda for child protection.

We are also establishing up to eight Communities for Children Plus sites across Australia. These will build on the successful Communities for Children model and they will provide intensive early intervention services to an additional 1,200 children and their families over four years.

We intend to work with the states and territories, the local communities and of course, most importantly, families to prevent child abuse and neglect. We are committed to making sure that income support provided to families is spent in the best interests of children. Working with the Western Australian government, the Australian government has initiated a trial using income management in child protection cases. In partnership with the state government, local child protection officers can now refer cases to Centrelink where parents and children would benefit from income management.

Voluntary income management is also operating for individuals and families in these trial locations and the early indicators are certainly positive. Families are purchasing more of the goods and services that are essential to improving their children’s health and wellbeing. These are being supported by money management services to help get them back on track.

In Cape York, under the Family Responsibilities Commission model, and also in prescribed communities in the Northern Territory, income management is also having positive results. The government does understand that non-government organisations working in the field are often best placed to build community resilience. Today I have announced 50 small-scale, innovative community based projects across each state and territory with an additional $3.1 million in Australian government funding.

We certainly know that supporting children in their early years can make a significant difference to their learning outcomes and can establish the foundation for social and emotional wellbeing. That is why, through our National Framework for Protecting Australia’s Children, we are providing $36.6 million over four years to give more vulnerable children access to quality child care through take-up of the special child care benefit. This special benefit covers the full cost of child care for children at serious risk of abuse or neglect, and enables these children to access care and development in a safe and supportive environment.

The Australian Institute of Health and Welfare data released today also shows that the prevalence of severe disability in children has significantly increased from 1.6 per cent in 1981 to 4.3 per cent in 2003 and this obviously places great strain on family carers. Last night, legislation was passed in the Senate to deliver long overdue reforms to the complex and overly restrictive eligibility requirements for financial support for people caring for children with severe disability or medical conditions.
Over the years, the restrictive eligibility requirements for Carer Payment (child) meant carers were denied appropriate financial support; so restrictive that, when the review inquired into the effectiveness and fairness of the payment in 2007, only 3½ thousand families across Australia were benefitting. With these government reforms—which take into account the level of care required rather than a narrow set of medical and behavioural criteria—we now expect an additional 19,000 families will have access to Carer Payment (child) from 1 July 2009.

To better meet these needs of children and their parents in local communities, the government is bringing together our wide range of existing children’s, parenting and families programs into an integrated new Family Support Program. There will be three core service streams:

- family and parenting services—and that will focus on early intervention and prevention services for families to strengthen relationships, develop skills and support parents and children, especially over important life transitions;
- community and family partnerships—more intensive and coordinated support targeted at significantly disadvantaged communities and children at risk and their families; and
- family law services—with assistance to families to manage the process and impacts of separation in the best interests of children.

Underpinning these is the government’s recognition that early intervention is essential to build long-term capacity and resilience in our children and families. We are committed to intervening to prevent a crisis before it happens rather than trying to rebuild broken lives after abuse neglect, family breakdown or learning and health problems have occurred.

The Australian government is determined to close the gap between Indigenous and non-Indigenous Australian children. To meet our very ambitious close-the-gap targets, COAG has endorsed the National Partnership Agreement on Indigenous Early Childhood Development. Under this agreement, and with joint investment of $293 million, 36 child and family centres will be established. These child and family centres will co-locate the range of maternal and child health, parenting, child care, early learning and development services in the one location, making these important services easier for parents and their children to access. Many of the 36 children and family centres will be established in priority locations established under the government’s Remote Service Delivery National Partnership, including all four Northern Territory remote centres.

Over the last 18 months the government has made significant reforms to support children and families. Our continuing commitment to reform will focus on issues including the reduction of violence against women and children, housing and homelessness, disability and mental health. I will also work closely with my colleagues in the parliament in the crucial areas of health, early childhood care and education. The Australian government is committed to demonstrating national leadership on these vital issues putting the wellbeing and best interests of children at the heart of all we do.

I ask leave of the House to move a motion to enable the member for Warringah to speak for 11 minutes.

Leave granted.

Ms MACKLIN—I move:

That so much of the standing orders be suspended as would prevent the member for Warringah speaking for a period not exceeding 11 minutes.

Question agreed to.
Mr ABBOTT (Warringah) (3.47 pm)—I thank the minister for the opportunity to respond to her statement. I acknowledge, as I so often do in this place, the abundant goodwill and decency which the minister brings to these very difficult issues. The minister’s statement demonstrates that the Rudd government is concerned that some Australian children, too many Australian children, are in dysfunctional or disadvantaged families and can suffer as a result. There are too many, and one child in danger is one too many. But I should say that the government’s compassion credentials are not in question here. I am not the government’s greatest admirer, as you would expect, but I would not for a moment suggest that the government lacked goodwill or common decency.

My problem with the minister’s statement is not the undeniable worthiness of the cause; it is the apparent assumption that government run or government funded services can eliminate the consequences of human frailty or cure its roots. Government services are important and necessary, but as long as there are parents with substance abuse or mental health problems or prone to certain sorts of criminal conduct there will be children at risk. This is always a tragedy. It is sometimes a crime. But let us not pretend that it is easy to fix. Government services can try to tackle problems but what is necessary, all too often, in the first instance is law enforcement and what is often needed is individual personal transformation—the kind of spiritual rebirth or moral rearmament that is not normally the field of government.

Then there is the fact that government services in this area are mostly the principal responsibility of the states. To the extent that the plight of some Australian children is the result of inadequate services, that is the fault of the state governments. To the extent that the Commonwealth is proposing to help improve state government services, it is yet again the federal Labor government bailing out state Labor governments. If the states’ failures are sufficiently monumental then of course the Commonwealth should act. But let us be open about the failures that are being addressed. Plainly, there are various state government services in this area which are not working well. The New South Wales Department of Community Services, for instance, is a disaster area. The papers are full of terrible instances of avoidable neglect. But none of this has been covered in the statement that we have heard today.

If I may say so—and I say it with respect—the minister’s statement would have been more valuable if it had detailed how the existing services would be improved by the new Commonwealth initiatives that she went through today. For instance, how many extra staff will be deployed as a result of the various measures that she outlined? How many additional troubled families and their children will have how many additional contacts from offices of various services as a result of the measures outlined today? How many troubled children will be at school, for instance, rather than truanting as a result of these changes?

The minister’s statement referred to the Western Australian trial of quarantining welfare payments for the families of children at risk. It would have helped the statement, I suggest, if the minister had told the House in how many instances family income management has been imposed; how many truancy prosecutions have been launched by the states since the Rudd government’s drive to improve the welfare of children; and what states are now providing truancy information to Centrelink for the purposes of family income management quarantine as a result of the Rudd government’s efforts. The minister may have that information; I hope she does. It should be provided to the House, but I suspect it will not be because governments
have a tendency not to want their goodwill to be judged by objective standards. I fear, in short, that the measures announced today will turn out to be less than they sound, less than they seem.

The minister talked about a new national framework for protecting children, and as part of that there are millions to be spent here, millions to be spent there. There are new programs, there are new partnerships, there are new trials—all extremely worthy. But, as someone who has been in government and has heard the language of public servants dealing as best they can with these problems, it sounded to me more like a charter for bureaucracy than for children. If I may say so, respectfully, Madam Deputy Speaker, notwithstanding the abundant concern of the minister and, I am sure, her officials to make a better world, I suspect that a young person in trouble or a parent grieving for a young person in trouble and hoping to find better services for such a young person would have got a sense of ministerial and governmental goodwill from this statement but not necessarily much sense of a change in the offing.

I am not saying that any of the measures that the minister outlined should not be taken and I am not saying that they will not help, but I fear that the next time the Australian Institute of Health and Welfare produces another of its excellent reports it will show much the same problems to much the same extent, because human nature, sadly, is very hard to change, and government often finds it much easier to do things than to really change things.

People Trafficking

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (3.54 pm)—by leave—I am pleased to present this inaugural report of the Anti-People Trafficking Inter-departmental Committee to the parliament.

This report reflects the hard work of the former Minister for Home Affairs, the Hon. Bob Debus, and I thank him for his commitment to bringing traffickers to justice, whilst protecting the victims of these offences. The former minister worked closely with the Minister for Immigration and Citizenship, Senator the Hon. Chris Evans; the Minister for Foreign Affairs, the Hon. Stephen Smith MP; and the Minister for the Status of Women, the Hon. Tanya Plibersek MP, on the government’s response to trafficking in persons, and I acknowledge today their great efforts.

People trafficking is a crime which may have a traumatic and lasting impact on victims and the government is committed to combating it. The extent of people trafficking is hard to measure but it is clear that it affects almost every country in the world. Men, women and children are trafficked for a range of exploitative purposes including sexual servitude, forced labour and the harvesting of organs. In Australia, most—but by no means all—identified victims of trafficking have been women trafficked for exploitation in the sex industry.

The Minister for Home Affairs has responsibility for the whole-of-government anti-people-trafficking strategy as well as the way in which the Australian Customs and Border Protection Service deals with people smuggling across Australia’s maritime borders. It is important at the outset to note the distinction between these two crimes. People trafficking is the physical movement of people across borders through deceptive means, coercion or force. The motivation for people traffickers is the prospect of exploiting their victims once they reach the destination country. People smuggling, on the other hand, is the organised, illegal movement of people across borders, usually on a payment-for-service basis.
Australia ratified the United Nations Convention against Transnational Organised Crime in 2004 and its supplementary Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children in 2005. The government’s anti-people-trafficking strategy was established in 2003 and implements Australia’s obligations under the people-trafficking protocol. The strategy has three equally important needs: to do as much as we can to prevent people trafficking; to prosecute offenders; and to provide support to victims of trafficking, including by protecting their human rights.

The Australian National Audit Office, ANAO, recently undertook a review of the management of the anti-trafficking strategy. The government welcomed this review: it provided us with an opportunity to assess the progress of the strategy. Given the reprehensible nature of the crime, we welcome any input that may enhance the government’s response to trafficking in persons.

One of the recommendations arising from the ANAO’s review was that there should be a more systematic annual reporting of outcomes under the anti-trafficking strategy. The government recognised that there would be considerable benefit in the production of a single, consolidated annual report. This first report of the Anti-People Trafficking Interdepartmental Committee captures the period from the implementation of the strategy in January 2004 up to April this year. In the future, the committee will report on outcomes annually. This first report on the achievements of the anti-people-trafficking strategy will also serve as a response to a Senate motion moved by my colleague Senator Stephens, Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector, on 19 June 2007.

The Office for Women has already implemented a number of the enhancements suggested by the ANAO in relation to its administration of the Support for Victims of People Trafficking Program. This has included the negotiation of a new contract for the provision of case management services with the well-known humanitarian organisation, the Australian Red Cross. The revised administrative arrangements ensure that the provider appreciates the high standard of service required for victims of trafficking.

My colleague the Minister for Immigration and Citizenship, Senator the Hon. Chris Evans, has announced changes to the People Trafficking Visa Framework that will simplify the framework and, importantly, give victims and their immediate family members greater certainty about their immigration status. These changes are the result of consultations with a range of stakeholders.

The Department of Immigration and Citizenship, DIAC, has also addressed the ANAO’s recommendations relating to visa cancellation procedures, and is working with partner agencies to improve referral processes following the ANAO’s comments regarding the professionalism and sensitive conduct of its compliance teams.

In response to recommendations from the ANAO report, the Australian Federal Police, AFP, has reviewed and expanded investigation guidelines for the Transnational Sexual Exploitation and Trafficking Teams. These guidelines complement the existing AFP specialist training to further support investigators in this complex type of crime.

Government has recently taken a number of steps to strengthen the national response to trafficking in persons. This week, my colleagues and I were pleased to announce changes to the government’s anti-people-trafficking strategy, which will provide enhanced support for victims of this crime.

We have also strengthened partnerships with non-governmental organisations. NGOs
and industry bodies have access to information about the situation on the ground particularly in relation to victims, and their insights can help inform government policy. In June last year, the government convened the inaugural National Roundtable on People Trafficking and today we convened the second of these meetings. The roundtable brings together anti-people-trafficking NGOs, service providers, support organisations for victims of crime as well as the legal, employer and union sectors to implement a whole-of-community approach to fighting this crime.

The meeting of the roundtable in 2008 has led to practical outcomes for Australia’s response to trafficking. For example, the roundtable identified as a priority improving the experience of victims of trafficking in the criminal justice process. In response to this, the Attorney-General’s Department has been working with the National Judicial College of Australia to develop education resources for judicial officers on people trafficking. The Judicial College hosted the first seminar for the judiciary on Monday in Sydney.

In March of this year the then Minister for Home Affairs, the Hon. Bob Debus MP, launched the guidelines for NGOs working with trafficked people in Sydney along with the President of the Australian Human Rights Commission, the Hon. Catherine Branson QC and the Director of the NGO Anti-Slavery Project, Jennifer Burn. A working group established by the roundtable and chaired by the Sex Discrimination Commissioner, Ms Elizabeth Broderick, developed the guidelines. The guidelines are a practical resource to assist community organisations to protect the rights of victims of trafficking and, in the words of one key anti-people-trafficking advocate, ‘provide the gold standard for ethical ways of working with trafficked people’.

People trafficking is a complex transnational crime. It is therefore imperative that we collaborate closely with our neighbours to prevent this crime in source countries, take complementary approaches to criminal justice, and provide effective support to victims of trafficking whether they remain in Australia or return to their countries of origin. Specialist anti-people-trafficking officers within the AFP and DIAC are posted overseas to facilitate this type of regional cooperation to combat trafficking.

Australia has taken an active role in international efforts to combat people trafficking. Australia, with Indonesia, co-founded and co-chairs the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. Addressing factors that make people vulnerable to trafficking is an important part of Australia’s national and international strategies to prevent trafficking. The Bali Regional Ministerial Conference in April re-focused regional attention on people smuggling and trafficking in persons, and Bali Process member states’ ministers agreed to convene an ad hoc group mechanism to develop a regional response to current challenges in the region, including, any specific people-trafficking challenges.

To further our international engagement in this area, the AFP is hosting an International Conference on Trafficking in Persons later this month. This conference will bring together law enforcement agencies from source and destination countries, specifically South Korea, China, Vietnam, Indonesia, Malaysia, Thailand and Australia. They will discuss proactive strategies to combat people trafficking, as well as opportunities for more effective international cooperation and information exchange.

In 2009-10, Australia will provide A$3.8 billion in official development assistance though AusAID, to help reduce poverty and
promote sustainable development. The aid program also addresses violence against women and children, and includes a number of activities that specifically work to combat trafficking in persons at the regional level.

My colleagues and I look forward to presenting the next report of the Anti-People-Trafficking IDC.

I ask leave of the House to move a motion to enable the member for Farrer to speak for 10 minutes.

Leave granted.

Mr BRENDAN O’CONNOR—I move:

That so much of standing and sessional orders be suspended as would prevent the member for Farrer speaking in reply to the ministerial statement for a period not exceeding 10 minutes.

Question agreed to.

Ms LEY (Farrer) (4.05 pm)—It gives me pleasure to respond to the ministerial statement from the Minister for Home Affairs. I thank him and the government and his predecessor for the opportunity. Broadly, the coalition welcomes what this statement contains. It certainly builds on strong work that started under the previous government, particularly, I think, in 2003, when the then coalition government announced a $20 million package of measures to combat trafficking in persons. An important part of that package was a thorough legislative review.

The review carefully analysed Australia’s anti-trafficking laws to identify what changes were needed to fully and comprehensively criminalise trafficking in persons. That package included a new AFP unit, the Transnational Sexual Exploitation and Trafficking Team; new visa arrangements for trafficking victims—I note in the minister’s statement today that there will be further expansion of those visa arrangements—victim support measures, including counselling and legal and medical support to be administered by the Office for Women; proposed improvements to legislation making people trafficking punishable by up to 20 years jail; and a promise to ratify the UN protocol to prevent, suppress and punish trafficking in persons, especially women and children, which was completed in 2004.

Since these initiatives—five years on—we are looking at a report that covers those five years. We are undertaking to make annual reports and we also have an Audit Office inquiry into the management of the Australian government’s action plan to eradicate trafficking in persons. So we are really starting to see how the initiatives that were put in place a few years ago are hitting the ground and how we can make changes for the better. Globally, over 21,400 victims of trafficking were identified in 2006, although it is considered that many victims are not identified.

People trafficking takes place for a variety of reasons, including sexual servitude, domestic labour, forced marriage and sweat shop labour. Women, men and children are victims. While there is limited hard information on the number of persons trafficked and the target industries into which they are trafficked, evidence suggests that the trafficking of women into prostitution is the major and certainly the most visible form of trafficking taking place.

As a citizen of this country you cannot help but be profoundly affected and insulted by the examples of trafficking into sexual servitude that we have seen. We have had good results in the courts—noticeably, the 2008 High Court decision in R v Tang. I want to quote women, through Project Respect, who have been trafficked into prostitution and who spoke out after that decision:

What happened to us was a nightmare. We can never forget. It comes back to us in dreams. This will affect us til we die. It has changed us. We were treated very badly. We worked from 11 am to 3 or 4 am. We slept only three or four hours
a night. Sometimes some of us worked for 24 hours. For four or five months, all we did was prostitution. Even when we had our period, we had to work. Sometimes we worked until we couldn’t walk. We had to work until we were very very sick and the customers refused to take us. Only then were we allowed to rest, for one day.

Some owners were not so cruel, but even when they were friendly, they still treated us as slaves. We were made to feel like animals. Customers were violent. Some of the customers were crazy. They treated us like animals. We were sexually abused, we were dragged, we were hit. Some of us were given drugs so we could work all the time. Some of the women we know have become drug addicts and now they have to keep doing prostitution to pay for drugs.

I felt like we survived and died at the same time. We had to keep doing what the traffickers said, for ourselves, and for the people we loved. The traffickers threatened us—we were scared they would hurt us and our families. Some of us thought we could be killed. We blamed ourselves for what happened, because we had wanted to come to Australia.

This changed our lives. When we have so many people talking, consulting, legislating through roundtables and conferences, we do need to hear from the victims who are affected. We must keep in mind the victims when deciding what help we need to offer. I read with interest the Auditor-General’s report into the action plan and noted some of the recommendations that the Audit Office has made. I want to just run through a couple of those because they are important, and I know they have been accepted.

This is a whole-of-government approach, and when that happens sometimes there is a little bit of silo operation between the agencies, but the ANAO did conclude:

… the whole-of-government oversight arrangements are broadly effective in sharing information and making decisions. However, the necessary performance information framework, including baseline measures to monitor contributions … has not been established. Each agency has implemented their respective new measures, although management effectiveness varies from agency to agency.

The Parliamentary Joint Committee on the Australian Crime Commission expressed concerns as to the effectiveness of the co-ordination and accountability arrangements for the overall government effort. One thing that concerned me was that the key baseline measure of the effectiveness of the measures outlined in the action plan—that is, the trend in the numbers of victims being trafficked—is not being measured. Arriving at such estimates is clearly a challenge, but we have to do that. We have to find out whether our measures are being successful and if not how we can improve on them.

The AFP’s transnational sexual exploitation and trafficking teams are at the frontline of combating this problem and I want to pay tribute to them and to the men and women of those teams who work so hard in such difficult circumstances investigating trafficking cases, bringing them to court and sometimes being terribly disappointed when some brothel owners, as we saw in Sydney not that long ago, get let off with a slap on the wrist.

The AFP was mentioned in the Audit Office report and comments made were that some of the people-trafficking resources had been directed to non-trafficking crime types. I want to very strenuously say that the AFP has probably suffered a cut of about $13 million in its budget recently. It is continually being expected to stretch that thin blue line further and further. Even a couple of days ago we heard through the media that the AFP will be carbon cops, having to police the forthcoming carbon regime with no additional resources. It makes no sense at all.

We must remember that where you find this type of crime you find other types of
crime, so if the AFP is combating crime it may well be incorporating people trafficking. I ask the government to resource the AFP properly to do its job, because we can have roundtables, meetings and Bali conferences—all of these are good and are conducted by both sides of politics—but when you hear from the victims of trafficking you realise that you want people on the front line: state police, the AFP and the Australian Crime Commission, which has also had cuts of at least seven per cent to its budget. Those are the people who can take action against these dreadful individuals that are involved in the trafficking. That is so important.

The ANAO made six recommendations aimed at strengthening whole-of-government arrangements and they are being picked up on. I want to speak briefly about the Office for Women’s management of the victim support services post trafficking and say that I was not convinced by figures I heard from the Audit Office that, I think, $9 million was taken up in the administration of the program—the contract management function by OFW and then the contract management by the person who provides those services. I know that the service provider has recently changed to the Red Cross, and I have the highest opinion of them, but I would ask the Minister for the Status of Women to maintain a watching brief on the dollars that it costs to administer this and to recognise that a small allocation of money to support the victims has not really gone very far.

When you consider that, as of August 2008, 107 victims had been assisted under the various phases of support—a substantial shortfall in the catered-for demand of up to 90 victims a year, which would now be a total of 450 victims—something is not right there. We must not forget that after a court case the victims who testified may need particular assistance. My colleague the shadow minister for immigration will shortly, I am sure, discuss the possible changed visa arrangements, and we look forward to working with the government on getting the balance right. But I recognise the courage of a woman who has been trafficked into sexual servitude in coming forward to testify, not knowing what the outcome of the court case will be and possibly not knowing what her own fate will be should the case not be successful. We must remember that cases fail for a number of reasons, and victims continue to need support. But we must balance any possible mischief related to applying for visas in particular instances with the need to protect victims. As I said, my colleagues will have more to say on that.

Broadly, I welcome the statement. I look forward to the ongoing annual reports. I applaud and thank the previous coalition government for the work that they kicked off in this area in 2003, added to in 2004 and allocated further funds to in early 2007. We have made this recognised and appreciated. (Time expired)

MATTERS OF PUBLIC IMPORTANCE

Workplace Relations

The SPEAKER—I have received a letter from the honourable member for Stirling proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The job destroying nature of the Government’s industrial relations changes

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 KEENAN (Stirling) (4.16 pm)—What are we to make of this government that talks about jobs as its highest priority then goes about doing everything in a policy

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sense to destroy people’s employment prospects? This is a government that are now so out of control with spin that they seem to believe that if they just talk about jobs then suddenly these jobs will materialise. It is like their approach to debt: if you do not mention it, it does not exist. It is like the Prime Minister’s approach to factions: if he does not say the factions have any influence, if he pretends they do not exist, then people will just tend to believe him. This government is now out of control with spin.

This time last year in the House everybody on the government side would have been talking about inflation. Of course, we have come to see what that policy means for the Australian community. Now, if they talk about anything, they will talk about its effect on employment. To every government policy they attach the number of jobs it will create, without providing one shred of evidence. We see it today with the Ruddbank proposal. I have heard different figures today in the House—between 75,000 and 150,000 jobs were apparently going to be protected, supported or created by the Ruddbank proposal—without anyone providing one shred of evidence.

But it is much worse than that, because, particularly in the industrial relations area, we see a government that goes about destroying the job prospects of Australians. We have seen them re-regulate the labour market—the biggest re-regulation of the labour market in Australia’s history and the first time that a major economic reform had actually been undone in this country. It was done, despite repeated calls from the opposition not to do so. It was done without any thought for the effect that it would have on people’s employment prospects. We had this major reform done without anybody knowing what it was going to do to people’s prospects of finding a job.

I want to talk about two policy areas today where the government has gone about destroying people’s job prospects. The first is award modernisation and the second is the abolition of the Australian Building and Construction Commission. Members will recall that the award modernisation process was done to simplify what is a very complicated awards structure in Australia. That itself is a very laudable aim and it is an aim that is supported by the opposition. Indeed, we promised to do it when we were in government and, if we had been successful at the election, of course we would have followed through with that.

What happened, though, was that the Deputy Prime Minister made a reference to the Australian Industrial Relations Commission to simplify the award structure in Australia and in it she said that the commission needed to go about this task without increasing the cost to employers or decreasing the take-home pay of employees. Clearly that was impossible for the commission to adhere to. It is a zero-sum game. If you take from one to give to the other then clearly you are going to disadvantage either the employer or the employee. So the commission is faced with this impossible task. It needs to go around the country—and of course we have different award structures in different states and different industries—and basically find the gold standard, wherever it exists in Australia, and apply that as the new national award. There is ample evidence that, if this policy is followed through, if the government does not change tack, they will directly destroy the jobs of tens of thousands of Australians.

As we debated the transitional bill in the other place today, the opposition gave the government a chance to change course, to save the jobs that they are going to destroy through their award modernisation, by moving sensible amendments that would have
alleviated the concerns of small and large business in Australia and given the people who are going to lose their jobs under this process a fighting chance. Extraordinarily, all of our amendments were voted down by the government.

I would like to go through these amendments. This is very important because it shows the pig-headedness of this government. When faced with irrefutable evidence that what they were doing was going to damage the nation and damage people’s employment prospects, they refused to change course and refused to accept the sensible amendments that we put up. Those amendments would have provided Australian business with the ability to seek the assistance of the commission if their labour costs were going to go up due to the application of a new modern award and they could show Fair Work Australia that that was going to damage the interests of their business.

We were going to require the Australian Industrial Relations Commission, who is undertaking the award modernisation process, to allow a default five-year period over which state based differences could be phased out. This is something that the minister often refers to—"We’ll phase these changes over five years." But she has left that up to the discretion of the commission; she has no power to actually control that. So we moved amendments that would make the five-year transitional period the starting point to give business some certainty when dealing with these cost increases. But, astonishingly, that was voted down.

We also moved some other sensible amendments that would have limited industrial disputation in our workplaces, particularly in relation to union demarcation disputes, which are surely some of the most pointless industrial disputes that we find within our system.

So what we find is that the coalition moves what are very sensible amendments to try and stop the worst aspects of the government’s new policy, and what we get from this government is stonewalling and opposition for the sake of opposition.

There is ample evidence that this policy will directly destroy jobs. Clearly, if you increase the cost base for business, that is going to result in increased unemployment. It is not a very difficult concept to understand. Indeed, there is a great quote from former Labor Treasurer Frank Crean: ‘One man’s wage increase is another man’s job.’ That is something this minister does not understand, and it is something this government does not understand.

I want to go through some real-life examples from people at the coalface about what this award modernisation is actually going to do when it comes into effect. The Australian Retailers Association has said: Smaller retailers will not cope with the collective pressure of increased labour and compliance costs in the modern retail award… They go on to say that 82 per cent of smaller retailers say they will restructure their workforce while 65 per cent of them say they will shed staff. Costings by the Australian Retailers Association indicate that the average wage bill for a retailer will go up by $28½ thousand. They said that the financial impact of the new so-called modern retail award will hit the bottom line of the retail industry ‘like a Mack truck driving through their shop window’.

The Pharmacy Guild did some analysis based on three pharmacies in Western Australia who employ a total of 31 staff. In these three pharmacies employing 31 people the combined wages bill increase from the so-called modern award would be $228,700 per annum, which is a 13.8 per cent increase. They say that the proprietors of these busi-
nesses advise that they would have to sack almost four people were this to go ahead. So from 31 people employed in these three businesses, because of this new retail modern award, they will need to sack over 10 per cent of that workforce. If we were to extrapolate these figures just across Western Australia alone this would result in a loss of 680 jobs. That is in one state, in one sector—let alone all the other states and all the other sectors where this new modern award is going to wreak havoc.

There are other industries that will be adversely affected by this. The aged-care sector indicate that their costs will rise between 10 and 20 per cent. Newsagents, particularly in Queensland, say that they will face a 14 per cent increase in labour costs. One of the independent supermarkets, just outside of my electorate in Shenton Park, said that they cannot afford to pay their casual employees $40 on a Sunday and what they will do is either not open on a Sunday or get rid of staff. Hotels in Western Australia said that the new modern award will result in almost 10 per cent increases in labour costs, with the resulting massive job losses. The horticultural industry estimate that their costs will rise by 30 per cent under these new arrangements—30 per cent. And the government just shrugs its shoulders and has no response to how these businesses are supposed to alleviate these extra costs.

Finally, can I refer to the example of the fast-food industry. Everyone in this place will know that the fast-food industry employs a lot of young people, it employs a lot of single mothers, it employs people who cannot work regular hours. What they say is that, if the so-called modern retail industry award goes ahead, the additional costs facing fast-food retailers would be $625 million per annum. They translated that into what it will mean for their business. Once they extrapolated it across the whole country they said that it will cost almost 18,000 jobs. So the fast-food industry are saying that if this new modern award goes ahead they will be forced to sack 18,000 people—and, as we know, they will be some of the most vulnerable workers within our society.

The government has absolutely no answer to this. When you raise these questions with the minister she basically just shrugs her shoulders, says it is up to the commission and then talks about the transitional period, a transitional period that she cannot control. Of course, this is a pattern with this government—talking about jobs and then doing things that destroy people’s job prospects.

We have had another example of this today, with the introduction into the House of legislation abolishing the Australian Building and Construction Commission. This was a commission that was established after the Cole royal commission. It was established by the Howard government in 2005. It has been extraordinarily successful in controlling lawlessness within the building and construction industry. Anyone familiar with the industry knows that building and construction in Australia is plagued by serial lawlessness, militant unionism and the resulting violence and thuggery. For two decades prior to the Cole royal commission this was an industry with a culture that could only be described as completely and utterly crook. There were laws that were supposed to enforce law and order within that industry, but they were not working because the cop on the beat did not have the powers that it needed to do that job properly.

We have had some theatre in the lead-up to this legislation being tabled in the parliament, where the government have pretended that they are going to be tough on the militant building unions. They come in here and say, ‘No, we’re going maintain a tough cop on the beat. Sure, we’re abolishing the Aus-
Australian Building and Construction Commission. Sure, that’s been incredibly successful in enforcing law and order within that industry, but we’re going to abolish it and replace it with something that is—allegedly—a tough cop on the beat.’ But what we find is that this ‘tough’ cop will not have the powers that it requires to do its job properly. So, despite all the theatre, despite all the sound and fury about how Julia Gillard was being tough on the union movement, this new body is not going to have the powers that it requires to actually control law and order within what is an exceptionally difficult industry.

The ABCC has been around since 2005 and its results have been measured by independent analysis done by KPMG. What that analysis said was that, because of the ABCC, within those four short years since its establishment there has been a 10 per cent increase in productivity within the building and construction industry and industrial disputation has been reduced by 92 per cent to record lows. During this time the workers have benefited. Increases in their average weekly earnings within that industry in the three years from 2004 to 2007 were 25½ per cent in real terms.

The economic gain to the community of the creation of this commission has been estimated at over $5 billion. It has improved levels of health and safety within the building industry and there has been almost a 7.5 per cent productivity gain in commercial building relative to residential building since it was established. The results for the community of this improvement within that one industry across the whole of Australia are very impressive. GDP is 1.5 per cent higher than it otherwise would be. Inflation has been lowered because of the improvements within the construction industry. And as I said before, there has been a gain of over $5 billion to the whole community.

What we find with this government is a particular pattern of behaviour. They say things but then their actions belie the sincerity of their words. The award modernisation process is going to directly destroy tens of thousands of Australian jobs and the government has no plan to alleviate the cost increases that will result from that process. Similarly, we see it with the Australian Building and Construction Commission. We have had a tough cop on the beat, it has enforced law and order and it has contained those militant unions, but now the government, protesting that it cares about people’s jobs in that industry, is going to come along and abolish it. It is going to institute a toothless tiger that will not have the power to do the job. We will see in that industry a return to the bad old days of union thuggery and lawlessness.

This is a government with which you must look at what they do rather than what they say. You cannot believe what they say about jobs. Clearly, the examples of the award modernisation process and the Australian Building and Construction Commission are proof of that. (Time expired)

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (4.31 pm)—If there was any doubting before that Work Choices is still alive and well in the coalition you heard it then. Peter Costello, the member for Higgins, might be going but Work Choices is still alive. It was a great day here in the parliament last year when we buried Work Choices. It was a bit of a celebration for those of us on this side of the House, but I know it was a day of mourning on the other side of the chamber. It was not a debate; it was more like a wake. It was like burying a member of the family, and it is a member of the family that they want to dig up and bring to life whenever they can. The contribution from the member for Stirling just proves that it is still alive and well. It is
like that zombie policy that wants to rear its head again and get out of the coffin and get back to life as soon as you get a chance.

Mr Keenan—What about award modernisation?

Mr CLARE—I will get to that in a second; don’t you worry about that. But if we are going to have a debate about industrial relations you have got to start where it all begins—that is, where you stand when it comes to Work Choices, that zombie policy. The member for Stirling knows this all too well because he is one of the Dr Frankensteins who helped build the monster that killed John Howard. They forget that at their peril. So they play a game around this chamber a bit like Weekend at Bernie’s. Do you remember that movie? They used to wander around pretending that Bernie was still alive, taking him to the movies—

Mr Hartsuyker interjecting—

Mr CLARE—You have not seen that one? It is worth watching. Go and grab it at the video store. In Weekend at Bernie’s they pretended that Bernie was still alive. Those opposite are going to try to pretend that Work Choices is dead. But I will tell you this: Peter Costello might be gone but it is still alive and well in the hearts and the minds of those opposite.

The shadow minister talked about award modernisation. Let me say this: the Australian Industrial Relations Commission is part way through a two-year award modernisation process. He knows this because he voted for the legislation that introduced it: the Workplace Relations Amendment (Transition to Forward with Fairness) Act, which was passed in March 2008 with the support of the Liberal opposition. It provides for an award modernisation process that commences for a transition period of up to five years. That is the legislation that was introduced last year and passed with the support of both sides of this House. Since then, 44 modern awards have been made and 50 draft awards have been published for consultation.

I should mention and place on the record of the House the view of the Master Plumbers and Mechanical Services Association of Australia, which welcomed the Australian Industrial Relations Commission decision on award modernisation on 23 January 2009 that recognised the wider plumbing, mechanical services and fire services as a separate industry through one modern award. Mr Ebejer stated:

… this historical decision will particularly assist small business contractors/employers in better managing their employment responsibilities by removing the confusion of the many existing separate awards, providing one focused national award for Plumbing, Mechanical Servicing and Fire Sprinkler Contracting businesses and employees.

There you have it; that is an example of this process at work. We started the last century—at the beginning of Federation—with different rail gauges and we understood the necessity of moving to a standard rail gauge. And in the 21st century I think most people in this chamber understand the importance of standardised national awards. Certainly, the Australian Chamber of Commerce and Industry think that this is an important process. They said:

Workplace relations policy is too important for horse and buggy era approaches to persist.

…

… many businesses are subject to overlapping, multiple sets of regulation (both state and federal) within the one workplace.

When did they say that? They said it in 2005. But there was not a lot of award modernisation going on in 2005 because those opposite, who were then sitting on the Treasury bench, were too busy creating the monster.

Mr Briggs—That is not true.
Mr CLARE—The member for Mayo knows this because he is the original Dr Frankenstein—he is the architect—and he bears more responsibility than most in this chamber for what the monster did to his boss John Howard.

The opposition spokesman for workplace relations had this to say on ABC radio on 3 June:

… what the government is saying is that they’re just going to implement these new awards holus-bolus on January 1, 2010.

That is what you said. Is that your view?

Mr Keenan—Can you guarantee that that will not happen?

Mr CLARE—Well, listen and you might get educated. I will continue to quote the member for Stirling, who is the shadow minister:

Now what that means if you’re in a state which has a lower award based than another state, you’re going to face a massive increase in your operating costs from the 1st of January.

This is the sort of scare campaign that we are starting to get used to over here. Actually, we have been used to it for a while, going back to Tampa, children overboard and the scare campaigns that were run at the last election. There is the dodgy scare campaign that you are running on debt. Obviously this is another dodgy scare campaign on award modernisation. He knows it is not true, because he voted for the legislation that allows for a five-year transition period.

The shadow minister also spoke about the Australian Building and Construction Commission and argued that its replacement would be a ‘toothless tiger’. He said that getting rid of the ABCC was going to create a toothless tiger. Let’s add a little bit of truth to the debate. The fact is that the Labor Party in opposition made a commitment to get rid of the ABCC and to replace it with a specialist division of Fair Work Australia starting in January of next year. That was our commitment and that is what we are doing. We are a party that adopts policy based on an evidence based approach. I take you to the report that Justice Wilcox did. Have a look at what Justice Wilcox said. He said:

I am satisfied there is still such a level of industrial unlawfulness in the building and construction industry, especially in Victoria and Western Australia, that it would be inadvisable not to empower the [Specialist Division] to undertake compulsory interrogation. The reality is that, without such a power, some types of contravention would be almost impossible to prove.

He continues to say:

I have reached the opinion that it would be unwise not to endow [Specialist Division] (at least for now) with a coercive interrogation power. Although conduct in the industry has improved in recent years, I believe the job is not yet done.

So what has this government done? It is implementing those recommendations, maintaining those coercive powers but doing something that those opposite failed to do, and that is provide proper oversight for those coercive powers, making sure that the Administrative Appeals Tribunal has to approve the use of those coercive powers and also make sure that if those coercive powers are used then they are videotaped and they are reviewed on a regular basis by the ombudsman and reported to this parliament.

My question for the opposition is: what have you got against that? What do you think is wrong about that? Are you going to vote against that legislation because you think that the Administrative Appeals Tribunal should not have oversight or that the ombudsman should not have a role? This is ostensibly what the opposition are saying. This is what they call a toothless tiger. This is what they call watering down the powers that will be established in Fair Work Australia. It doesn’t really add up.
This debate is ostensibly one about jobs. The opposition talk about the destruction of jobs. If you want to talk about the destruction of jobs, have a look at what the opposition did in the Senate last night. What the opposition did in the Senate last night is put jobs of people that they say they are worried about in the construction industry at risk. They did that for political purposes. If you go back to 26 January this year and open up the newspaper—actually, you do not even have to open it up; have a look at the front page of the Australian on 26 January. When most Australians were thinking about what it means to be an Australian, we found out what it means to be a Liberal. On the front page of that newspaper Malcolm Turnbull said he was going to oppose the Australian Business Investment Partnership because he thinks, and continues to think, that the market should be allowed to take its course—that the proper process is to let the market take its course, and if that means jobs sacrificed on the altar of Liberal ideology, then so be it. That is the consequence of their actions. When you are in the middle of a storm, you do not cancel your flood insurance policy, but that is ostensibly what the Liberal Party are asking this parliament and asking the people of Australia to do by voting against this legislation in the Senate.

The other thing that is worthy of pointing out is having a look at the budget. If you go to Budget Paper No. 1 and you turn to page 1-7, it makes for some pretty interesting reading. It says this:

In the absence of Government action, the level of GDP would be 2¾ per cent lower in 2009-10 and 1½ per cent lower in 2010-11. Government action is expected to support up to 210,000 jobs and, without it, the forecast unemployment rate would reach 10 per cent.

So who are the real job destroyers here? Without government action, without stimulating the economy there would be 210,000 extra jobs sacrificed on the altar of Liberal ideology and unemployment would reach a rate of 10 per cent. Who are the real job destroyers here? There are 210,000 reasons in this budget why the government is taking action to protect jobs. There are 210,000 extra reasons why this government thinks it is responsible to borrow to protect their jobs. A job is important for these 210,000 people and it is also important for their families. But I tell you what: it is also important for the economy, because those 210,000 people have the skills, the experience and the energy that we need to build a more productive economy, a more competitive economy and a more efficient economy in the world that lies beyond the global recession. That is why what we are doing is the right and appropriate thing.

The irony of this, of course, is that, if you were to adopt the Liberal Party’s strategy, you would find that we would lose up to 210,000 extra jobs and that the economy would now be in a technical recession. That is what Treasury modelling showed when the national accounts came out. It showed that in the absence of a stimulus to the economy, the economy would now be negative 0.2 per cent for the March quarter and debt would be almost exactly the same. That is the great irony of the proposition that is being put here in an MPI about destroying jobs. Effectively, Liberal Party policy, as espoused by the Leader of the Opposition, is to ensure that 210,000 extra people lose their jobs, that the deficit is almost exactly the same—$275 billion—and that this economy would go into recession. That is the outcome of Liberal Party policy. I tell you what: those 210,000 people are important.

Malcolm Turnbull, the Leader of the Opposition, talks about jobs, jobs, jobs. He says that is the most important priority for the government, and I agree: it is. It is and it should be the priority of this government.
That is why the government is building classrooms around the country; it is why it is building roads, why it is building rail, why it is building ports, why it is rolling out broadband. It is why 35,000 different projects are rolling out around the country over the next 12 months. I spoke to a bloke called Kev, who is the builder in my electorate—‘Kev the builder’. He builds halls—

**Mr Tanner**—Does he have blond hair?

**Mr CLARE**—He doesn’t have blond hair! But, I tell you what, he is building halls around the country just like Kevin Rudd is. This is a bloke who told me that building a hall on any given job site would employ 300 to 400 people over the course of the project and that, as a consequence of the government’s actions, he has been able to buy a bobcat with the small business tax breaks that we have provided and that two of his apprentices have been able to get their first home through the first home owner boost. That is a small example of the effect of what we are doing. But, of course, there is a multiplier effect because all the products to build the hall have to be bought and all the money that goes in the pockets of those workers and those apprentices means they are spending more money at the petrol station, buying a bunch of flowers for their wife or buying food for their family. But there is a bigger multiplier than that. What many members may not be aware of is that the construction industry actually spends more money on IT in a year than it does on steel and spends more money on legal, accounting and financial services than it does on steel.

By building an education revolution, we are building strength into this economy. By building an education revolution, we are effectively permeating the whole economy. We are making sure that we support families, whether they happen to be construction workers or whether they are working in all different sorts of jobs around the country. We are in for some tough times ahead. Unemployment is projected to get to 8½ per cent, and that means that we need to act together. We need to work constructively, and that needs the opposition’s support. I would hope that they would support the work that we are doing—support 200,000 jobs—but I do not think that we are going to see much of that.

Now that the member for Higgins has left, I would hope that the Leader of the Opposition would start to show some real leadership instead of adopting the policies of the member for Higgins—

**Mrs Hull**—He hasn’t left yet!

**Mr CLARE**—Well, he is on his way out the door. Now that he is on his way out the door, we would hope that the Leader of the Opposition would show some real leadership and have some policies of his own. Instead of worrying about his own job, he could start worrying about the jobs of ordinary working Australians.

**Mr HARTSUYSKER** (Cowper) (4.46 pm)—I welcome the opportunity to speak on this matter of public importance. I note the member for Blaxland’s preoccupation with the member for Higgins, the former Treasurer. There is a very stark difference between the contribution that was made by Peter Costello, as Treasurer, and the contribution that is being made by those members opposite. On the former Treasurer’s watch our government was focused on putting in place the settings that were going to make this country prosper and grow. Treasurer Costello oversaw one of the strongest economic expansions in this nation’s history. On his watch we saw a country that was confident. On his watch we saw incomes grow. On his watch we saw unemployment fall. On his watch we saw a self-assured Australia.

I note the comments by Paul Kelly in today’s *Australian* where he said of Peter
Costello that Australia avoided three recessions—the Asian financial crisis, the 2002 US recession and the potential recession from the housing boom in the third term of the Howard government. On his watch we saw the implementation of policies that increased the prosperity of this country. On his watch we saw the implementation of policies that increased income, reduced unemployment and gave Australia a bright future—policies, I might say, that were opposed every inch of the way by the members opposite. Everything that our government tried to do they opposed every inch of the way. They had to be dragged kicking and screaming into the 21st century—and they have not changed much, I might say.

They are now in power. When we look at the policy settings of the members opposite and when we look at the impact they are going to have on this nation’s prosperity, it is a very concerning scenario. What is Labor’s response to the current challenges that this nation faces? Their first response is to blame everyone but themselves. It is to blame the global financial crisis, to blame the economic lottery that they allegedly inherited. They blame everyone but themselves. Their second response is to implement policies that make this country’s situation worse, that reduce economic growth, that reduce prosperity and that adversely impact on employment and opportunity in this country.

We have seen their industrial relations agenda. What is their industrial relations agenda going to do? It is quite clear that basically every economist around the world agrees that a more flexible labour relations policy produces better outcomes for employees, for employers and for nations. It produces lower unemployment; it produces higher growth. But what are we seeing from this government? We are seeing a government that want to reregulate the labour market. They want to produce worse outcomes for employees and worse outcomes for employers, in pursuit of Labor dogma. At a time when unemployment is rising, at a time when this country faces great challenges, they are actually going to reduce flexibility in the labour market. The government are in the process of condemning thousands upon thousands of Australians to the dole queue because they are putting their political agenda ahead of good policy.

We see this government paying back its union mates rather than putting in place the policies that this nation needs. There is no more glaring example of this than its decision to put down the industry watchdog. It is not reform of the situation. Let us see it for what it is. This government is basically putting down the industry watchdog step by step. Yes, we see the stage-managed theatre of the Prime Minister and the Deputy Prime Minister allegedly muscling up to the unions, talking tough, but the cold reality is that in private they are rolling over. They are just towing the line, playing out the script, and at the end of the day they are going to get rid of this watchdog because it is a watchdog that is not a favoured family pet of the Labor Party. It is certainly not a treasured pet and it is one the Labor Party is very keen to put down.

When you look at its results, you would have to wonder how anyone could wind back this organisation. Econtech have estimated that the results of the ABCC are an increase in GDP of 1½ per cent and CPI being 1.2 per cent lower than it would otherwise be. The existence of the ABCC would result in real consumption increases of 0.8 per cent and a higher standard of living for the Australian people. What is wrong with that? Why would you change it? Why wouldn’t you recognise the fact that the lawless, outrageous behaviour, particularly in Western Australia, of construction unions has been reigned in by
this organisation? It has resulted in an economic benefit and one that has helped to set up Australia for the future. We note that the ABCC resulted in improved efficiency in the residential sector of 5.3 per cent and reductions in the cost of housing of three per cent. In the non-residential sector the figures are even more compelling: labour efficiency is up 12.2 per cent and there are reduced costs for business investment. Is that a bad thing for the country? Is that a bad thing? I think not. It may be a bad thing for the vested interests of the building unions, but it is certainly not a bad thing for this country.

I would like to move now to what the Labor Party calls award modernisation, which I think is very much a misnomer.

Mr Keenan—‘So-called’.

Mr HARTSUYKER—Yes, the ‘so-called’ modernisation. It is dragging back the very worst features of all the awards and putting them in one package that does not seem to benefit anyone. That is what award modernisation is all about.

We have the Deputy Prime Minister using this weapon at her disposal to destroy jobs. She claims that no employee will be worse off but that no employer will pay more. The question I have for the Deputy Prime Minister is: how is that going to be achieved? How is no employee going to be worse off and no employer going to be paying more? I am certainly waiting for an explanation. I know the shadow minister for employment is waiting for an explanation. I know the shadow minister for employment is waiting for an explanation. We are yet to hear it. All we hear is incredible silence. This is just another case of the Rudd government economic policy magic pudding. No-one believes it, but the spin masters keep spinning it.

I would like to quote a letter I received from industry. This is not this side of the House speaking; it is industry speaking. It is very much a call to members opposite to hear the concerns of industry. BerryExchange, a major employer in my electorate, said:

… any increases in labour costs imposed through the modern award will make the industry less competitive against overseas farmers and growers.

Their General Manager, Peter McPherson, goes on to say:

Initial data gathered in the sector indicates that these changes will increase labour costs by … 30%.

What happened to the Deputy Prime Minister’s claim that no employer would pay more? It is going to cost this organisation 30 per cent more in labour costs. He goes on to say:

Also given the minimum hourly rate is guaranteed under a modern award, employers will no longer be able to employ certain groups of employees that are currently being paid according to the volume of fruit they pick.

Alarming, Mr McPherson goes on to say:

… the increase in costs will impact on our decision to invest in the electorate … the existence of our operation at Corindi is under threat.

There we have one of the largest private sector employers in my electorate saying that the very existence of their operation is under threat. Here we have a decision by this government which may reduce the viability of a major employer in my electorate to the point where it would close. How does that benefit the economy locally? How does that benefit the economy nationally? We are waiting for an explanation, and all we get is silence.

How does a local producer explain to his customers on a Monday that, because he has to pay a 200 per cent labour premium for picking on Sunday, he will no longer have any goods to provide for Monday markets? Does that mean that Monday retail produce markets will be a thing of the past? Does that mean that we will be missing a whole day’s
productivity purely because of this ridiculous, allegedly modern, award situation?

The Pharmacy Guild said:

With almost 5,000 community pharmacies in Australia, many of these small businesses will be forced to change the way they operate, especially on weekends and after hours, withdraw some services, and shed jobs in a time of worsening unemployment.

The Pharmacy Guild calculates that 1,390 jobs will be lost across the state of New South Wales alone. How does that benefit community health? How does that benefit those employees? It is absolutely outrageous.

The Nambucca River Co-Op said:

If this award becomes operative it will have a serious and damaging effect on my business. We provide an important service to our local community but we may be unable to do that in the future if we are required to pay these large increases.

John Cummings, Chairman of NARGA, said:

Gillard guaranteed that there would be no disadvantage to the employer or employee under Labor’s new laws but how can this be when she has introduced two new penalties. An increase from 20 to 25% for casual employees and an extra 10% penalty after 6 pm and all day Saturday.

We have the outrageous situation where this new award is taking Australia down the low road to lower growth, higher unemployment and poorer outcomes for all Australians. All Australians will pay the price for this alleged award modernisation and Labor’s industrial relations policy.

Mr SYMON (Deakin) (4.56 pm)—It is my pleasure to speak on this matter of public importance. It is interesting to hear the member for Cowper talk about flexibility in industrial relations. Flexibility is more than a one-way street, which is what we got with Work Choices—no choice. Labor delivered the Fair Work Act, and that delivers on promises that we took to the people at the last election. We promised to rip up Work Choices if elected with our Forward with Fairness policy statement. We did and, in two weeks time when it finally comes in, working people will be able to have a job with fair pay and fair conditions, and so they should. They will not be ripped off under the rotten Work Choices system, which is what happened year after year, and we still have those stories coming out now.

One thing we should be talking about is jobs, employment. What do we hear from the other side about creating employment? We do not hear positive stories about how to create employment. We only hear gloom and doom. We see hands up in the air but there is no actual response—there is no plan or idea. Unlike the opposition, the Rudd government has put in place economic stimuli. The point of these is to create jobs in the economy and not just in certain sectors. As the member for Blaxland said, a job in construction flows right through to other areas of the economy where those services are needed. Many people do not even see those jobs on a day-to-day basis.

I would like to go through some of the projects that are out there right now creating real jobs that will have fair pay and fair conditions for workers. The recent federal budget marked the third phase of the Rudd government’s stimulus plan, investing $22 billion in our nation’s infrastructure. That is on top of the $28 billion of investment in infrastructure in the economic security plan of February. That comes on top of further investment in last year’s Economic Security Strategy.

There is the energy efficiency program, where householders can install insulation in their houses if they do not already have it. That is an Australiawide program. It is enormous. So many households that do not have insulation now will be able to have it.
There will be $1,600 worth going into their roof. How does it get into their roof? People come out to their house and install it. These are real jobs and they are ongoing because this is going to run for a number of years. With that, you have to manufacture insulation. What do we hear from Bradford? Bradford in Brisbane are working 24 hours round the clock now to try to keep up with demand. They have put on another 70 staff. So far only 27 houses up to the end of last month have actually had insulation installed. There is a huge number to go beyond that.

Let us have a look at infrastructure in terms of road and rail and the number of jobs that that can create and is creating right now. We have work on the Geelong Ring Road in my state of Victoria, worth $125 million and 60 construction jobs. There is work happening on the final stage of the F5 Freeway upgrade in Campbelltown, New South Wales. That is starting very soon and is worth 130 full-time jobs and 70 part-time jobs. We have construction on the Alstonville bypass which is happening now, with 140 jobs. The Brighton bypass and transport hub means 380 jobs. And the Mandurah Entrance Road has 80 jobs on-site and more supported off-site.

And then there is rail. We hear a little bit about rail these days because the Rudd federal government is investing in rail—not just in interstate freight rail but in urban public transport as well. That has not happened from the federal government level in a very long time. More than 200 jobs have been supported by the increased demand for concrete rail sleepers by the Australian government’s $1.2 billion interstate rail network program. Fifty people are employed at Austral’s Geelong factory, more than 65 at their Wagga Wagga factory. Sixty people are employed at Rocla Sleepers Mittagong factory and another 60 or so are employed at Rocla Sleepers in Grafton.

Talking about rail, right in the middle of my electorate is a road and rail project happening right now. That of course is the Springvale Road underpass. That is a $140 million project to relieve a huge bottleneck through the eastern suburbs of Melbourne. Like most grade separation projects, it takes a lot of planning, it takes a lot of work to get it done and it employs a lot of labour whilst it is happening. This job has already started. You can go down there today and you can see people working on the job. They were not there a month ago. The thing about this particular project is that those opposite tried to block this project only last week when they tried to amend the nation-building and jobs program. They did not manage it, fortunately because the 100 people that will soon be working on that project might otherwise not have actually been employed. The most astounding thing about this is that those opposite actually campaigned for this project for years on end. They did not deliver it and then when the money came through they tried to put it down. That is typical of what we hear from the other side time after time. Many people over there do not understand infrastructure. I am certain of that. We hear it time after time, day after day.

Social housing is another one of our programs under the economic stimulus which is employing people right now, and that is a wonderful thing. In my own particular electorate of Deakin there are 66 houses under the maintenance program that are happening right now. When you go out and visit them and you talk to the tradesmen who are out there, the builders and their teams of people they have doing it, they tell you, ‘We’ve had to put on extra people because of the demand.’ This is a very good thing. It is not just maintenance. It is also building of new houses—20,000 across the country. That is a program that is estimated to create 15,000 jobs over the next two years.
Defence housing is another one. My electorate does not have any defence housing, but many others do, and at the moment work is underway on 233 defence houses—brand new ones. Three hundred and forty-seven contracts have been awarded, and the contract for the 400th house is expected to be awarded around now.

My favourite part of the stimulus package, because I know how much those on the other side do not like talking about it, is the Building the Education Revolution. We have the National School Pride Program which is rolling out right now, which is employing people not only in my electorate but in the electorates of those opposite as well. It is a wonderful thing for their local economies, and a wonderful thing for Australia’s economy, that people are out there working. That is a great thing. As part of the stimulus, employers like Spotless Group recruited 40 full-time positions and now have 569 workers, including apprentices, working on school and housing maintenance projects under the stimulus in New South Wales, Victoria, South Australia, Tasmania and here in the ACT.

The school maintenance program, the National School Pride Program, is one thing, but of course to me the enduring thing about Building the Education Revolution is the infrastructure build which is known as Primary Schools for the 21st Century. They are substantial jobs. They are long-term. They will take up to a year—in some cases more—to be built. And they are, again, in every electorate. These are real jobs. Some are just at the starting stage. Some have still got their applications in. In my electorate of Deakin alone so far there is $39 million invested in jobs, projects, and infrastructure for our local schools. These are schools that have not had money put into them by those opposite. They have been left alone year after year. Why is that? They just do not care about it. When it comes to the House they vote against it. Creating jobs is something that those opposite like to talk about, but creating jobs is not something that those opposite actually do. They do not have any positive things to say about the subject. They cannot understand why investment and why stimulus are actually connected to jobs. It is about time that those opposite woke up and actually understood that they are.

Mr BRIGGS (Mayo) (5.06 pm)—It is with great pleasure that I rise to speak on this very important matter of public importance proposed by the member for Stirling, who is doing an excellent job at exposing the flawed policies being pursued by the Deputy Prime Minister, who is the part-time minister for industrial relations also. The matter of public importance—and I have just had to check, following the member for Deakin’s speech—is about the job-destroying nature of the government’s industrial relations changes. It appears that the member for Deakin might have grabbed the wrong speech on the way in as he has talked about the stimulus package for the whole time, which is a surprise, given the member for Deakin’s history as an ETU official.

He did spend yesterday, as I understand, in the caucus. A good Labor colleague over there contacted me yesterday and mentioned that during the Labor caucus meeting, which went for some three hours yesterday, there were a couple of items on the agenda. The first one was the ABCC changes, the backdown on the ABCC the Deputy Prime Minister is instigating. The second item was the briefing on the most important matter we are facing in the history of the world, according to those on the other side—climate change. They did not quite get to the matter of climate change, as I understand it. They had three hours of blood-letting about union power. We know what drives those on the other side. We know what will always drive those on the other side and it is union power.
So it did strike me as passing strange that the member for Deakin, a former ETU official, very well associated with Dean Mile and Kevin Harkins, was not able to address the terms of the MPI which is:

The job destroying nature of the Government’s industrial relations changes.

They are job destroying. We will talk about two—

**Mr Perrett**—No-one got punched.

**Mr Briggs**—We do not know that actually. Member for Moreton. We understand there was some quite aggressive discussion. I do not know where the member for Deakin ended up. I know the member for Moreton would have been with the Deputy Prime Minister. He is tactically smart. Where the member for Deakin ended up, I do not know. I suspect he was against where they were going with it, but I was not there, obviously. I will have to check with my Labor source.

Back on the matter of public importance, the member for Stirling is right in saying that this government has engaged in the biggest re-regulation of Australia’s labour market in the history of our country. What it has done is wind back the economic reform cycle, which is disappointing, particularly coming from the member for Blaxland, who follows a great reformer. Two members ago, the then member for Blaxland did instigate some great economic reforms in this country. I will pay him credit for that. Some of them were labour market reforms. In fact, in 1993 he did make very small steps to move away from the centralised award system to the enterprise bargaining system. So it is disappointing that the new member for Blaxland—a former senior advisor to Bob Carr from the failed state of New South Wales—would participate in backing away from such important reforms.

The member for Blaxland mentioned the award modernisation issue, which has just turned into a complete debacle. The Deputy Prime Minister would have known it would be a complete debacle because this report, done in 2006 in her department, tells her that if you go ahead and say that you will not make employees and employers worse off it will end up as a disaster; it will destroy jobs. It says it in the report. But what did she go and do? She goes and issues an instruction to the Australian Industrial Relations Commission which says that neither employers nor employees shall be worse off. It says very clearly in here that, if you do that, you will destroy jobs. So there is the Deputy Prime Minister not thinking it through and playing, as she has to, to her union mates in the Labor Party. She ‘has to’ because they ran the biggest scare campaign in the history of this country to get the Labor Party elected. She has to play this game of implementing the reforms that the unions want.

The member for Blaxland quoted the ACCI in talking about award modernisation. Let me put something else on the record from ACCI from 11 June 2009:

The Government’s award modernisation process should not come at the expense of increasing employers’ costs or introducing new or additional inflexibilities. If it does, the Government should have no hesitation in directing the tribunal to have another go.

‘Have another go’ is exactly what the Deputy Prime Minister should do, but she is too stubborn. She has got this wrong. She is going to cost jobs. The reforms that these people are implementing are going to make a lot of Australians worse off. The one thing we did not see in the introduction of their re-regulation bills, the union sponsored bills, was an analysis of how many jobs would be created—because they will not create jobs. This is not a policy to create jobs. This is a policy to protect the jobs of those— *(Time expired)*
Mr PERRETT (Moreton) (5.11 pm)—Whilst I would like to congratulate the member for Blaxland on his promotion, I do need to correct him on something that he stated in his speech on this matter of public importance. He incorrectly stated that the member for Mayo was like Dr Frankenstein in trying to resurrect the Work Choices monster. I think the member for Mayo is more like Mary Shelley, the author of the process rather than the actual character in it.

When it comes to matters of public importance in this House, the issue of job creation and jobs is about as important as they come. We know that on this side of the House. That is why we are investing $30 billion in our nation building for recovery plan. We care about infrastructure. We care about making sure that every dollar we spend goes into ports, road and rail, education, social housing construction, energy efficiency and a national broadband network so that every dollar is supporting Australian jobs. Every stimulus dollar is targeted to create new jobs and protect existing jobs. More importantly, in a way, for small business—that area that the Liberal Party has deserted—we make sure that every tax break and every cash flow initiative helps keep those small businesses afloat.

As a result of the government’s stimulus package, 35,000 construction sites are emerging around Australia. Those 35,000 construction sites are emerging in every electorate, in every community, in Labor electorates, in Liberal electorates, in National electorates and in Independent electorates. Each and every one of them is emerging without fear or favour and with allocations based on policy, not polls, unlike the former policies of those opposite—the ‘Investing in our Flagpoles,’ regional rorts and all those dodgy practices. All the way along what have the opposition said? They have opposed everything. They said no. For the benefit of those multicultural listeners, they said ‘nyet’, they said ‘non’, they said ‘lo’, they said ‘la’, they said ‘tidak’, they said ‘nein’, they said ‘okhi’—they said no to everything when it came to creating jobs. That is all they said.

What did they turn to? Hypocrisy and trickery, that is all. This is the same opposition who voted against the stimulus and the jobs plan, the same opposition that voted down the Rudd government’s job-protecting Australian Business Investment Partnership.

The opposition’s decision leaves commercial property developers and their employees in the lurch amidst an atmosphere of foreign commercial banks withdrawing from Australia. We understand the situation the world is in today, where foreign capital has unfortunately scuttled back to its home base in some places. But are we talking about the top end of town? No. We are talking about people like plumbers, carpenters, plasterers, crane drivers—all these sorts of people who have suffered because of this. Their jobs have been put in peril by those opposite. Maybe the Leader of the Opposition was a bit drunk on the news of the member for Higgins’s impending retirement, or maybe now that his job is secure the Leader of the Opposition no longer cares about the jobs of other Australians. Either way, the Hon. Malcolm Bligh Turnbull must take full responsibility for failing to protect Australian jobs. As a result of the global economic fallout, unemployment is forecast to rise, yet the Leader of the Opposition consistently opposes and frustrates government efforts to support the Australian economy. This sort of dole queue schadenfreude is unforgivable.

The government’s stimulus is expected to support more than 200,000 jobs and reduce the peak in the unemployment by 1½ percentage points from what it would otherwise have been. We are talking about real people being helped; real misery being averted. The government knows that, sadly, many Austra-
lians will lose their jobs as a result of this global financial crisis, so we are putting money into training places. We have a plan, and we are sick and tired of the negative opportunism, whingeing and carping coming from those opposite. I am not normally a fan of the Darth Vader school of performance management, but the Leader of the Opposition obviously needed to do something in the coalition party room—to grab that rabble and do something. Now that the lame-duck status of the member for Higgins has been downgraded, he has an opportunity to show some leadership. It is time he stopped whingeing and got on board with the government’s efforts to support Australian businesses and to keep Australians working. He needs to show that he is fair dinkum about supporting jobs. (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The discussion is now concluded.

SOCIAL SECURITY LEGISLATION AMENDMENT (IMPROVED SUPPORT FOR CARERS) BILL 2009
SOCIAL SECURITY LEGISLATION AMENDMENT (IMPROVED SUPPORT FOR CARERS) (CONSEQUENTIAL AND TRANSITIONAL) BILL 2009
FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009

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

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

Consideration of Senate Message
Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

COMMITTEES
Employment and Workplace Relations Committee
Education and Training Committee
Infrastructure, Transport, Regional Development and Local Government Committee
Membership

The DEPUTY SPEAKER (Hon. BC Scott)—Mr Speaker has received advice from the Chief Government Whip nominating members to be members of certain committees.

Mr SNOWDON (Lingiari—Minister for Indigenous Health, Rural and Regional Health and Regional Service Delivery) (5.18 pm)—by leave—I move:

That:
Mr Neumann be discharged from the Petitions Committee;
Mr Neumann be appointed a member of the Standing Committee on Employment and Workplace Relations;
Mr Symon be appointed a member of the Standing Committee on Education and Training, and;
Mr Bidgood be appointed a member of the Standing Committee on Infrastructure, Transport, Regional Development and Local Government.

Question agreed to.

GUARANTEE OF STATE AND TERRITORY BORROWING APPROPRIATION BILL 2009

Second Reading
Debate resumed from 3 June, on motion by Ms Macklin:

That this bill be now read a second time.

Mr HOCKEY (North Sydney (5.19 pm)—I stand on behalf of the coalition to indicate our support for this legislation and also indicate that we will at the appropriate time be moving an amendment, which I will
talk about a bit later. The Guarantee of State and Territory Borrowing Appropriation Bill 2009 provides for a standing appropriation to pay for any future claims should any state or territory government default on loans that are guaranteed by the Australian government’s guarantee of state and territory borrowing. Money is to be appropriated from the consolidated fund and if there is insufficient money in the fund then the bill provides authority for the Commonwealth to borrow money to pay claims to creditors.

Mr Deputy Speaker, you would hope that there is going to be a default in very, very unlikely circumstances. Therefore, this bill is more procedural in that it provides substance to the guarantee which has already been announced by the government and which the market is already, I might say, pricing into the issuance of government bonds. Even though state governments have declared that they will access the government guarantee, it is my understanding that the guarantee has no effect until this bill is passed, because there would be no standing appropriation for that guarantee. But the fact of the matter is that the market, quite understandably and appropriately, is pricing into the cost of semigovernment issuance a AAA federal government guarantee.

It is estimated the states will increase their borrowings from the existing $100 billion outstanding to $160 billion in the next three years. At this stage, I understand, only New South Wales has indicated they will be using the Commonwealth guarantee, although I do recollect that Queensland announced it would be doing so yesterday. The pricing of the guarantee is an issue that we are in dispute with the government about. This bill of course makes no provision for specific pricing of the guarantee, but currently the pricing of the guarantee is 15 basis points for AAA rated issuance and 20 basis points for AA-plus on existing loans, and 30 basis points for AAA and 35 basis points for AA-plus on new issuance. So there is only a small spread of five basis points between AAA and AA-plus, which was a massive concession by this government to the Queensland government, which has had its rating downgraded.

Now, the problem, as we stated at the time, is that there is not sufficient incentive for the state governments to do everything they can to preserve their AAA rating if there is not a sufficient penalty involved in the difference between having a rating of AAA and one of AA-plus. I outlined that in a press release issued on 25 March 2009, where I noted:

The price for less than a AAA issuance provides no incentive for States to exercise fiscal discipline, that is that States can spend all they want, lose their AAA credit rating and it costs them far less than what the market is charging.

Having said that, New South Wales yesterday had Moody’s reaffirm its AAA rating, but Standard and Poor’s expressed some level of concern about the state of New South Wales’s budget—and in Australia S and P are seen as a more diligent and credible rating agency than Moody’s, for a number of reasons. The interesting thing is that New South Wales won the support of Moody’s because they were not taking their budget into as substantial a deficit as had been expected.

One of reasons for that is quite clear when you start to delve through the detail of state budgets: the windfall payments from the federal government are propping up state Labor budgets, and the net impact is that the states are in fact in some cases reducing and/or replacing their own capital expenditure with the money that is provided by the Commonwealth. That should be alarming in itself, but it also devalues the stimulatory impact of Commonwealth government expenditure because it simply substitutes state government expenditure with Commonwealth ex-
penditure. The interesting thing is that it is the states that have traditionally always carried, and still do carry, the great bulk of infrastructure expenditure in Australia, as is appropriate. Roads, public transport, schools and hospitals are all, in the main, run by state governments. Therefore, not only new capital works programs and the integration of those capital works programs into existing infrastructure but also, significantly, the maintenance of those capital works programs are very much the domain of state governments.

Given all of that, it is quite clear that when the Australian government instituted a wholesale funding guarantee, when it introduced a guarantee of deposits in authorised deposit-taking institutions, that had a profound distortional impact on financial markets. And a lot of the pain at that particular time was felt by state governments in the semi-government market, where not only were they finding it difficult to price new issuance but it was also very hard to get away any new state government issuance. The net result was that the semi-government market dried up, or became illiquid. By becoming illiquid, it became a roadblock to the ongoing funding needs of the states.

States, I might add, have traditionally run deficit budgets, primarily because they have those massive capital expenditure items on their balance sheets. It was arguably the Greiner government of New South Wales— which not only reorganised the state budget but also changed the rules governing accounting procedures for state budgets—that for the first time started to run surplus budgets. In running surplus budgets, it managed to not only pay off state government debt but importantly reduce state liability, and the most profound way of doing that was through the sale of the State Bank of New South Wales. Obviously, there were also the sales of the State Bank of Victoria and latterly in South Australia. The Queensland government never quite had a state bank, although it had a shareholding interest in a financial institution. Western Australia has its own unique circumstances with the fabulous WA Inc.!

That actually reminds me of the debate that we had in question time today, where the Prime Minister was asked about Labor’s experience with banks and, naturally enough, refused to answer the question, because it is not an experience that perhaps the Prime Minister would willingly want to recall—the State Bank of Victoria with its investment banking arm, Tricontinental; the State Bank of South Australia with its finance arm, Beneficial Finance; and WA Inc. and the very colourful relationship between state Labor and Rothwell’s and Laurie Connell and some of the grand old names from the past that Minister Snowdon at the table would be well familiar with.

In so many of those banking failures—and it was a very long time between those banking failures and previous banking failures where it was necessary to separate out the bad banks and the bad loans—much of the bad debt that became a massive burden for taxpayers in those states was linked to commercial property.

This was most spectacularly seen in the case of the State Bank of South Australia. Despite expressed provisions of legislation in the parliament that prevented the State Bank of South Australia lending money against real estate outside of South Australia, through Beneficial Finance and through activities in New Zealand—from memory—the State Bank of South Australia engaged in one of the most audacious and free-wheeling loans of public moneys to property developers and commercial property owners that had ever occurred in Australia. That is a bold statement but it is real.
I recall state treasury officials from South Australia coming to visit the New South Wales Treasury and asking us, ‘How do you separate out the bad bank from the good bank in South Australia?’ We pointed out, correctly, that in New South Wales we had done everything we could to avoid going down that path, because of the massive impact on public confidence—as witnessed with the State Bank of Victoria issues and the separation of a good bank and bad bank. We emphasised that it depended on how big the bad bank was. I hope my memory is not failing me, but in the case of the State Bank of South Australia, which had around $19 billion of assets at that time, we were advised in absolute confidence that $13 billion was impaired. I suppose I have broken that confidence today but the passage of time maybe allows me to do this.

Someone pointed out to me some years later that at one stage South Australia had the very best finances of any state in Australia. A premier who attended some of the premiers conferences in the mid-eighties reflected on that and said, ‘When you look at the balance sheets of all the states, South Australia was the most robust and fiscally the best managed state in Australia.’ It went from being fiscally the best managed state in Australia to being a state with such an impaired balance sheet, with the collapse of the State Bank of South Australia and Beneficial Finance, that it was second only to Tasmania in diminution over the years. It was simply unforgivable for the people of South Australia. It ripped the heart out of the commercial sector of South Australia, and it denied a generation of South Australians the opportunity to live in South Australia and to compete with other parts of Australia, if not the rest of the world, in commerce.

I was a commercial lawyer in a law firm that was, in part, responsible for mopping up Tricontinental, and I just marvel at the risks people were prepared to take with taxpayers’ money. It was horrific. The deals were so complicated, running through so many offshore jurisdictions. They were so on-the-edge, and it was taxpayers’ money. The taxpayers were from Victoria in that case but this also applies to the taxpayers of South Australia. It was so risky. If the taxpayers of those states had fully understood the real impact of what their state banks were doing, they would have taken the decision that the former Premier of New South Wales Nick Greiner—and, after him, John Fahey—took, to his great credit, not only to privatise the State Bank of New South Wales but, significantly, to prevent it from opening up an investment arm. At this juncture, I want to pay tribute to John O’Neill, who was the Chief Executive of the State Bank of New South Wales—an A-grade banker, a damn good bloke and a good mate of mine. After identifying the risks to the balance sheets of New South Wales and the State Bank of New South Wales, John got the bank into a reasonable shape to allow it to be privatised.

The irony is that, when we privatised GIO, we thought GIO was a more robust asset. It therefore had an initial public offering which was spectacularly successful and, in fact, massively broadened the insurance index of the Stock Exchange. At that time, QBE was really the only listed insurer. Again, I want to place on the record that Nick Greiner determinedly said that state taxpayers should not be involved with reinsurance. I do recall a vigorous conversation between Nick Greiner and Bill Jocelyn, the general manager of GIO at that time. Nick Greiner said: ‘If you do not get out of reinsurance, we will sell you. It is not something for the taxpayers of New South Wales to be involved with.’ There was a heated argument between the two of them and Nick Greiner turned to me and said, ‘Get rid of it; sell it.’ And thank God for the taxpayers of New South Wales.
South Wales that we did. We well recall AMP buying GIO and making a hash of that. In the end, GIO still remains an appropriately trusted brand for general insurance, but GIO Australia Holdings Ltd obviously no longer exists as a standalone entity because the reinsurance arm imploded—as it would.

Why should taxpayers get involved in this sort of activity? It is this fear that has driven us on our vote in opposition to Ruddbank. We opposed Ruddbank because it is bad policy. We opposed Ruddbank because we look at what has happened in the past when Labor has been involved with financial institutions and commercial property and we say, ‘We will not allow that to happen again—no more taxpayers’ money to be directly involved in individual commercial projects.’ We will not support that. We cannot support that. It is bad policy. Quite frankly, there are better ways to do it if it is about helping commercial property—not in holding up values but in significantly preventing massive distortions in the market. We will talk a little about that at a future time.

It is so important to have transparency in all of these financial dealings. Whether it be in relation to car financing programs, there must be transparency and accountability. Whether it be in relation to commercial property and Ruddbank, there must be total transparency and accountability. In relation to the use of the government guarantee, there must be total transparency and accountability. Day after day I am asking the Treasurer to explain to the Australian people exactly what the liability is of the taxpayers under all the guarantees and the financing requirements of the associated entities. On one occasion the Treasurer said, ‘You do not want to add it up; no-one adds it up.’ I will tell you who adds it up—the taxpayers of Australia add it up because ultimately they are on the hook for that amount of money. If it is a guarantee that delivers a contingent liability that cannot be quantified, then quantify it. Give us a number that would allow the Australian taxpayers to fully recognise that they are providing a guarantee to private sector interests of half a trillion dollars or a trillion dollars. Tell us and the Australian people what the number is. The total liability of the states remains unquantifiable. One of the reasons we have taken a different attitude to this compared with other initiatives of the government is that this is ultimately the same taxpayer. If New South Wales defaults and if Victoria defaults, the taxpayers of those states are ultimately taxpayers of Australia; therefore, there is unquestionably a common interest that supports this bill.

I will be moving an amendment at the appropriate moment. The amendment will allow for the establishment of a register of government borrowings. I think this is very important for a number of reasons. It may not have been necessary to have a register of government borrowings when $55 billion was an issue—which is about the average from the Australian government over the last 10 years. We are now going down the path of $315 billion on issue. It is quite clear that with the semigovernments involved—that is, the state government issuance—there may well be at least an extra $160 billion. Australia should follow the lead of other countries, particularly the United States, and have a full disclosure of who the major lenders are to the Australian people.

Some people in the markets will say, ‘Well, that is pretty complicated; these things are traded all the time.’ So are shares. From the minister at the table to the backbenchers around the place, every member of parliament is required to disclose whether they own shares. There are registers that are run by companies of their shareholders and the general public can go and check who the shareholders are. There is full disclosure in relation to millions of shareholders who own...
shares in Australia. But perhaps hundreds and maybe even thousands of major entities that own Australian government bonds are not currently required to have their details disclosed. I did go on a mission to try to find out. I asked the Australian Office of Financial Management. I must say that they were quite unhelpful. Given that the government keeps seeking bipartisan support, the AOFM were rather unhelpful. They said that they did not know, only that they had a suspicion about who owned Australian government bonds. But they did point out that the Australian Bureau of Statistics collects data. It goes to the custodians, of which there appear to be just six, and it conducts a survey. When I asked the Deputy Chief Statistician why the Australian Bureau of Statistics could not disclose the domicile of the ultimate holders, he said it would be too revealing and that they would therefore not be able to collect the data. I asked whether they could disclose it by country, and he said no. I asked whether he could disclose it by regions, to which he replied, ‘I’ll get back to you.’ I never heard back.

This is meant to be the independent Australian Bureau of Statistics, of which I have previously had ministerial carriage. I have always held them in high regard, but I think they should be better than that. I would have thought they were more independent than that. I do not know what is going on. I rang a number of individual banks and asked, ‘Would you disclose the countries from which the ultimate buyers of the bonds come from?’ They said, ‘We can’t disclose them because perhaps it is the case that individual banks represent particular countries.’ That is why it is all the more important for our nation and in our economic and political interests to find out who is the major holder of Australian government bonds. Is it the Chinese government? Is it major superannuation or fund management arms from Japan? Is it countries that have investment vehicles domiciled in Bermuda? Or is it just general investors from the United Kingdom? We need to find out.

There is a political issue here. In the last 12 months, we saw the Chinese government—naturally and understandably—express very significant concern about the risk of their massive investment in the United States, particularly in US sovereign bonds. There is a risk not only to Chinese wealth of devaluation of the US dollar but also to Australians if those bonds become far more expensive or are mispriced in the interests and protection of the Chinese investors. Let us find out.

What we do know is this: by the admission of the Treasurer in this place, more than 65 per cent of all Australian government bonds are borrowed by people and interests offshore. That is consistent, because Australia is a net importer of capital. My concern is that we are now doing it on a scale that Australia has not done before. I imagine that, if you go back to World War II, a lot of those bonds were bought by the Australian public in support of the war effort. It is a different equation now. We are borrowing on a scale that we have never borrowed on. It is not the private sector at risk but the taxpayers, particularly if the buyers are governments offshore. In the interests of transparency, in the interests of the nation and in the interests of taxpayers, we need to know who is lending all this money to the Australian government. I do not think there is any underlying inappropriate investor. I have no reason to believe that is the case, but there is a mutual interest here. The government may well use its numbers to defeat the amendment in this place, but I hope that it will be engaging in the debate on the amendment in the Senate, because commonsense must prevail. This is in the national interest, as is our goodwill in supporting this bill.
Mr ZAPPIA (Makin) (5.48 pm)—I rise to speak in support of the Guarantee of State and Territory Borrowing Appropriation Bill 2009. I welcome the comments by the member for North Sydney. The opposition will be supporting this bill, albeit that there will be some amendments proposed. I am sure that the Treasurer will respond to those amendments in due course. We live in a period in which we are faced with the greatest economic downturn that any of us have probably seen in our lifetimes and certainly known since the Great Depression of the 1930s. We have seen something like eight of Australia’s top 10 trading partners already go into recession. We have seen over 30 banks around the world either collapse or require governments to bail them out. In the last quarter, we saw almost all other OECD countries report a negative growth in their gross domestic product figures. We have seen just about all other OECD countries go into deficit in order to support their budgets and sustain their economies. The story is very clear, and it is one that is well understood by members on this side of the House, although I am not sure that it is so well understood by members opposite because they never seem to acknowledge the fact that we are going through a global economic downturn.

This is an appropriate measure for the Commonwealth government to take in light of the global financial crisis and the constrained liquidity in semigovernment bond markets. Under this measure, the Commonwealth will be guaranteeing state and territory borrowings under a deed of guarantee. The member for North Sydney quite rightly pointed out that the states and territories fund most infrastructure projects. The funds that will be borrowed under this measure will essentially be used for state and territory governments to raise funds for infrastructure projects for which they are responsible and which will be critical to Australia’s recovery from the economic downturn and critical to supporting jobs around the country. They are funds that will be critical to building the foundations of a much more productive Australian economy.

I said a moment ago that governments around the world have increased government spending and in doing so have entered into considerable debt in order to offset the downturn in private sector spending throughout the world. But even governments trying to raise funds are faced with tighter financial markets and even governments have to compete for whatever funds are available on the global market. The Commonwealth guarantee provisions contained within this measure will provide greater access to finance for state and territory governments, who as we know have far less capacity to raise funds than does the federal government.

This bill has two main purposes. The first is to provide an appropriation to enable the Commonwealth to pay any claim made as a result of the Commonwealth’s guarantee of state or territory borrowings. The second purpose is to enable the Commonwealth to borrow funds to meet any shortfall of funds in the consolidated revenue required to meet a guarantee if required. While it is right to provide this guarantee, it is highly unlikely that the guarantee will ever be called in. In reality, this measure creates minimal risk to the Commonwealth while providing a major boost to state and territory borrowing capacities. I will again repeat something that the member for North Sydney said, because again I entirely agree with him: ultimately, the state and territory governments are managing affairs on behalf of the same Australian taxpayers as the Commonwealth government does.

The Rudd government has at a national level acted quickly and decisively to cushion the Australian economy from the global eco-
nomie downturn. We have done that through a $10.4 billion stimulus package in December and another $42 billion stimulus package earlier this year as well as through additional stimulus measures in the May budget, including a $22 billion nation-building infrastructure plan for Australia, the single biggest investment in nation-building infrastructure that the Commonwealth government has ever made in this country. But we have also done that by guaranteeing the bank deposits and bank wholesale funding.

In his comments earlier on, the member for North Sydney made reference to the bank guarantees and suggested that they distorted the markets. What the bank guarantees did — and there is no denying this — was stabilise the financial markets here in Australia. They also enable Australian banks to source funds on the global financial markets. The evidence for them being able to do that is very clear. As a result of them having done that, they were able to use those funds to support the Australian economy and in doing so support Australian jobs. We can criticise that if we want to. But the reality is that that was a measure that was needed, and it had the desired effect. The evidence is there for all to see.

One of the outcomes from having done that, along with all of the other stimulus measures that the government has introduced, is that around the country around 35,000 construction sites are now underway. Those construction sites are supporting jobs for Australian people right across the country. We can perhaps disagree about the figures, but the reality is that on best estimates we are talking about in the order of 200,000 jobs across the country being supported as a result of the Rudd government’s economic intervention during this economic downturn.

While we are supporting those jobs we are doing two other things that are critical to this country. We are investing in nation-building infrastructure, which had been neglected for years and certainly neglected by the previous coalition government. We are also investing in the future of this country by lifting the productivity of this nation. If we invest in infrastructure and if the states invest in infrastructure and we have to guarantee their borrowings, it is my view that that is the reasonable thing to do. Ultimately, there will be some tangible assets and some tangible productivity growth that will justify whatever level of risk might be attached to these measures.

The Rudd government’s national infrastructure investments will be complemented by state, territory and local government infrastructure spending. If you look at the $22 billion that the Rudd government is investing in nation-building infrastructure, much of that will be invested on the basis that there will be supporting funds from state, territory and local governments. Therefore, it is in the national interest to ensure that the projects that have been initiated by the federal government proceed. For that to happen, the states, the territories and local government may well have to also borrow. Assisting them with that borrowing is the right thing to do. From my observations, the state and territory governments are in fact not shirking their responsibilities on this matter and are doing the right thing by taking out the necessary borrowings in order to ensure that they can commit to their fair share of the funding for these major infrastructure projects.

I was Mayor of the City of Salisbury and someone who was very much involved in local government — including in South Australia, having been an executive member of local government — and someone very much involved in discussions on local government managing its affairs. There was an inquiry carried out about three or four years ago in South Australia on behalf of the local gov-
ernment sector. At the end of the inquiry, there was a very strong recommendation that local governments across Australia had the capacity to and should increase their borrowings in order to fund the necessary infrastructure shortfall that local governments were responsible for. It is interesting to note that many local governments across Australia have operated on borrowed funds for years. Yet there has never been a problem with that being done. But as soon as state or federal governments start borrowing and end up with deficit budgets, there is something wrong with it—at least if you listen to members opposite. If it is wrong for federal and state governments I would have thought it would be wrong for local governments. Yet we not only had independent advice to say that local governments ought to borrow but, if I recall correctly, we also had similar comments being made by ministers at both state and federal level at the time.

There are two key benefits resulting from this guarantee of the borrowings of state and territory governments. The first is that the states and territories will be able to access funds for those important infrastructure projects that I referred to earlier—funds which they might not otherwise have been able to access. The second is that because of the Commonwealth government’s guarantee they will be able to access those funds at a much better rate. If they can do that, there has to be some real benefit to the taxpayers of Australia, for whom the states and territories govern. Firstly, if you can access the funds at much better rates it means that your net debt position will be lower. Secondly, if you are able to save money, you can use it for other purposes, again to benefit the people whom you represent. So it makes absolute sense—and it makes good sense—for the Commonwealth to enable the states to access those funds and to access them at a better rate.

Until the latter part of the last century—I believe it was in the 1990s—the Commonwealth government because of its greater borrowing capacity would borrow on behalf of the states. Then that practice ceased, to be replaced with states undertaking their own borrowings and establishing their own borrowing authorities. There was some sense in that. It enabled the states to source funds on the global markets as they saw fit without being constrained in any way by the Commonwealth. The option to this particular proposal could well have been to reintroduce the proposition whereby the Commonwealth borrows on behalf of the states. It is my view, however, that it is better for the Commonwealth to guarantee the borrowings than to borrow on behalf of the states because doing so ensures that the states and territories are still essentially responsible for their borrowings and accountable for them in every sense of the word. At the same time, it allows the states and territories the flexibility and freedom to use their respective finance authorities to source the funds that they require. It serves the purpose of the states and it serves the purpose of the Commonwealth.

This measure to guarantee the borrowings of the states and the territories is somewhat similar to the bank wholesale funding guarantee provided to the banks by the Rudd government. It is a similar proposition—you provide the guarantee to the banks and allow them to access funds. You do the same for the states—you allow them to access funds. The measure also complements the government’s Australian Business Investment Partnership proposal, which the member for North Sydney also talked about. What the member for North Sydney did not say when he spoke about that proposal is that it is not purely a government proposition but a proposal whereby the four major banks will be putting funds on the table in order to create the funding facility required. The four major
banks will also have a say in whether that funding is in fact loaned out. It is a proposition that is needed across this country at the moment, because we do face unusual circumstances. The decision by the opposition not to support the Australian Business Investment Partnership proposition is, as was pointed out today in question time, a betrayal of so many of the small businesses in this country and so many of the Australian families that were depending on those small businesses for their employment.

Mr Deputy Speaker, as a fellow South Australian, you may well know that there are over $1 billion in construction projects that have been put on hold in recent months as a result of companies being unable to source the funding to proceed with those projects. A billion dollars worth of projects would sustain a lot of jobs, and that is only in South Australia. Across the country, I am sure it would run into tens of billions of dollars. In fact, we know that the commercial property sector in Australia employs about 150,000 people and has debts totalling around $165 billion, of which about $30 billion is sourced from overseas banks. They now need support in accessing that $30 billion. Through the Australian Business Investment Partnership, they might have been able to do that.

The DEPUTY SPEAKER (Mr PD Secker)—I remind the member for Makin that we are debating the Guarantee of State and Territory Borrowing Appropriation Bill 2009, not the bill that was defeated in the Senate last night.

Mr ZAPPIA—Mr Deputy Speaker, I thank you for your ruling. I was simply responding to comments made by the member for North Sydney in his address to the chamber just prior to mine where he went to great lengths to speak about the Australian Business Investment Partnership Bill. I also draw the parallel between this bill and that proposition. I simply make the point that in guaranteeing funding for the states I see a very strong parallel with the Australian Business Investment Partnership Bill, yet the opposition comes into this chamber and says that it will support one measure but not the other. I believe that the opposition is doing the Australian community a great disservice by not supporting the Australian Business Investment Partnership Bill and I know for a fact that there are jobs that would have been created as a result of that measure having gone through.

We have certainly seen some real changes in the Australian financial systems since Federation in 1901. Things have moved a great deal since the Australian Constitution came into being. As a result of that, the Commonwealth has a much greater capacity to raise taxes and to raise revenue than have the states. We have seen in recent times a reduction in GST revenue, and this will be faced by the states as a result of the downturn in economic activity across the country. Similarly, a reduction of $210 billion in federal government revenue is predicted to occur over the next few years.

However, even prior to the economic downturn it was clear that the states were having difficulty funding all their responsibilities. One of the reasons for that was that in the previous 12 years of the coalition government we saw a substantial reduction in funds to the states under the Commonwealth-state funding agreements. We saw about $1 billion cut from health and about $1 billion cut from housing during that period alone. For all those reasons, states were having difficulty through their own taxation systems raising the finances that they require in order to operate their governments. Not surprisingly, therefore, they will need to rely on overseas borrowings. If they have to rely on those overseas borrowings, it is my view that the Commonwealth should provide whatever
assistance it can in order to ensure that those borrowings are sourced at the best possible rates in terms of both fees and interest.

I will finish on this note. The member for North Sydney spoke about the fees that are being charged by the Commonwealth to guarantee these funds. He said that you should not need to use the fees in order to control the behaviour of the states—or words to that effect. I would have thought that there are much more powerful forces that would have controlled the behaviour of the state governments, whether Labor or Liberal, than the use of the fees. I commend the bill to the House. (Time expired)

Mr TUCKEY (O'Conner) (6.09 pm)—I take a great interest in this particular legislation for all the implications that it has as this government goes on with its socialist agenda, some of which even the minor parties in the Senate are not prepared to agree to. I will speak more about that later in this speech. The Guarantee of State and Territory Borrowing Appropriation Bill 2009 is an appropriation bill. It is before the House because a government cannot give a guarantee for a debt without the approval of the parliament to expend the funds to pay out in the case of default. The arrogance of this government was such that it had become so used to writing cheques with a fork that it just decided to save the states. I will come back to why it has had to do that, but the reality is that it took the Leader of the Opposition, with his huge past experience in the world of finance, to say: ‘Hang on. Who’s going to lend you, the government, money or lend on your guarantee when you have made no provision to pay if the debt is not repaid by the relevant entity?’ It just shows the misunderstanding.

As I think I have said in this place before, my mother’s favourite saying was, ‘Put a beggar on horseback and he’ll ride to the devil.’ Of course, a mob of beggars got themselves elected to this place and they are off on the road to the devil because they have never seen so much money in all their lives. Anyway, on the advice of the Leader of the Opposition, the government has come to the decision that it needs the approval of this parliament to back this guarantee with real money.

In his second reading speech, the minister went as far as to say, ‘If this dreadful and probably unlikely event occurs, we might also need the right to borrow the money to pay out on the debt.’ Of course, in commerce it is known as a contingent liability. I strongly endorse the press release of our shadow Treasurer, in which he said that, when this bill reaches the Senate, where justice does not reside in the numbers, the opposition will be seeking amendments to have better identified the source of these funds that are borrowed by state and federal governments so as to make sure that the Australian people know how much other nations throughout the world own of the Australian government—because we will be in debt to them. Were they to withdraw the support they presently provide, that would leave this government in grave difficulty because, as was exposed in question time these last few days, the government is spending the money already. I note that the shadow Treasurer commented that he believes that the government, through the sale of Treasury notes, is currently borrowing at about $3 billion a week—$3,000 million a week. It is beyond comprehension.

The background to this decision—and it flies in the face of other advice that was related to the parliament today—is that the Tasmanian government, our smallest state government, went confidently to the marketplace not that long ago with a $100 million bond tender, which is not a great deal of money in the context of parliament, and was only offered $80 million. Oops! Of course,
our Treasurer had to rush out and say, ‘Oh, don’t you worry about that’—a common Queenslander’s phrase—‘I’ll guarantee your debt.’ The consequences were as I have already mentioned. The state government of Tasmania could not get the money. Don’t worry about its credit rating, which, of course, forces up the cost it had to incur for it; there was either not enough money around because of the rate at which the Australian government was soaking it up or the institutions, both domestic and international, were happier just taking the Australian government debt instruments anyway.

Money is a commodity. It will be priced according to demand. The reality is that the states could not get money and now we are virtually back to the old days when the Commonwealth borrowed all of the money for the states and the difficulties which arose under that system. It was called the Australian Loan Council.

It became patently obvious to me that there is now massive competition for money in the Australian savings industry and I felt I should have a look at what was happening to interest rates. So I went to a logical place on the internet—the Reserve Bank of Australia’s daily statistical release. Having got the advice, I had to consult the member for Higgins, with his huge understanding, to better explain to me how I was to read their indicative mid rates of selected Commonwealth government debt. And on his explanation, I am now an expert.

The table issued has three columns: ‘Coupon’, in other words, the price at which it was offered in the market and the interest rate; ‘Maturity’, the date at which the government had to buy back this piece of paper or recycle it in the present instance; and, ‘Yield’. When I look at the top line, I see a September 2009 security—imminent—for which the coupon value was 7.5 per cent, but now, in its dying days, it has a value of 2.95 per cent.

Then we look at how the market is assessing long-term loans for which banks also borrow for the purpose of lending to homeowners. You cannot lend someone who has bought a house money for a couple of years and then say, ‘If you haven’t paid it off, I’ll take the house back.’ You have to give those borrowers certainty of, say, a 20-year loan. It so happens and consequently this table tells me that the current yield for a coupon of 5.5 per cent is 5.67 per cent, for a bond with a maturity in 2020-21—a date which has other meaning because that is when this government thinks it might have the capacity to pay off its accumulated debt of $315-plus billion, particularly as it is now guaranteeing over $100 billion of state debt and that state debt is a contingent liability. Your bank manager would know all about that, if you went to borrow $100,000 when you had contingent liabilities of double that amount. The bank would probably say no.

On a 5.5 per cent coupon maturing in May 2021, the current yield is 5.67 per cent. That is how money is being priced; it is where the market expects the cost of money to go. That is the sort of money that banks are having to borrow and on-lend to homeowners. And we have squeals and rants because banks are starting to put up interest rates. We have lived under a farce in this place for so long that somehow or other the Reserve Bank sets interest rates. It was the Hawke-Keating government which deregulated the financial market. That circumstance did exist when the government said how much banks could charge in interest and the government said what the Aussie dollar was worth. A few of us could not convince Malcolm Fraser that that was a bad idea. Circumstances prevailed over the Hawke government—it was not all their economic brilliance or anything else. The hedge funds of the world, which actually
had a bigger turnover than Australia, started to play ball with our currency. The only solution was to say, ‘You take it away and play with it,’ because every time the government tried to adjust rates in one direction, hedge funds took them in the other direction. Anyway, it was a silly idea and it is to the credit of the Hawke-Keating government that they deregulated the financial sector and the currency.

Consequently, it is a farce to suggest that the Reserve Bank sets interest rates. It sets the overnight cash rate, which does have an influence on what banks are doing. But when they have to back a business for the construction of a 20-year mining venture or a householder in the ownership of a house, banks are borrowing on the basis of federal bonds maturing in 2021. Of course that is affecting interest rates within Australia.

I have never been an admirer of Gittins, but he suggested that there is some relevance in the very small amount of money Australia collectively borrows. We are told one day that our international overseas debts are a tragedy. Until the election of this government, all overseas debts happened to be owed by the private sector, who just happened to borrow to build a liquefied natural gas plant or something of that nature. That is not a disaster because the private sector borrow against income-producing assets. It is when governments borrow overseas that you start worrying about foreign debt.

The reality of it is that in this instance we had every reason to know that we might be a flea bite but the effect is the same. Foreign lenders are starting to say, ‘We want a risk premium in lending money within Australia.’ They might have bucketfuls of it, but I read the other day that industry and commerce, our banks and our big business, are also unable to borrow money out of these bucket-loads that apparently exist, according to Gittens and the Treasurer today. In fact, they can only borrow within the Asian market because the other markets do not have any money either, or certainly do not want to lend it to Australian business. So anybody who thinks that a government going out into the marketplace and borrowing huge amounts of money for its own purposes is not affecting the interest rate on somebody’s home should not be managing the economy of Australia or, in fact, even sitting in their party room.

Reference was made in the second reading debate, by the shadow Treasurer and by the member for Makin, about the demise of Ruddbank. It was the Labor government who initiated the sale of the Commonwealth Bank; we were in government when the final sale was completed. There was good reason for governments to no longer own banks. There are a thousand examples of those sorts of banks, state banks particularly, going broke because governments told them to lend money.

I stood in this House when the Holmes a Court empire collapsed, simply because of their negative pledge arrangements with the banks. In other words, if the value of their assets fell below 80 per cent of their debt then there was a margin call. The Holmes a Court empire at the time owned about half—somewhere near that—of all the shares in BHP. The Western Australian government told one of its financial institutions—whose business was providing third-party insurance to motorists throughout WA, a state government insurance commission—to buy all of Holmes a Court’s shares and property at St Georges Terrace. I think it cost them about $800 million. They previously had reserves of 64. I made a suggestion that the Western Australian public would have to pay for that, just as they will have to pay off this borrowing—be it that it is guaranteed for state governments or the federal government. I predicted that there would be a huge cost. Two
things came out of that. The payment and the purchase which saved the Holmes a Court empire was of course approved under the old WA Inc. principles and the Brian Burke Labor government. But of course that commission was still $800 million in debt when the Richard Court government was elected. They had to impose a $50 per vehicle licence surcharge to put enough money back into the commission so it could meet its commitments and gradually pay off the debt. Yes, it sold the shares and it sold other things for about half of what they had paid for them.

When one looked at my electorate and saw farmers with 10, 15 or 20 licensed vehicles having to pay 50 bucks each on all of them—as well as hardworking people and everyone else—to pay off the debts of someone who was previously Australia’s wealthiest man, I was pretty angry about it. I raised it before all those circumstances, and what was the result? A little peanut called Norm Marlborough—a man who has had to resign a frontbench position in parliament due to his own corrupt activities since then; my wife always says, ‘What goes around comes around’—stood up in state parliament and attacked my son in retaliation for me raising appropriate issues in this place about one of Australia’s richest people. This bloke had a safe Labor seat and was supposed to look after the workers. He destroyed my son’s business with his allegations, which were all untrue. My son was not standing here, my son had nothing to do with what I was doing, but Norm Marlborough was prepared to do it and, as we know, he was a little crook.

What I am saying is: these are the risks that government take the further they intrude into lending money to business. It should be honest and it should work, but there are always instructions being given by politicians to the managers of those banks. Let me say, and I have said it before: I am not overly impressed with the interference of the Future Fund and its one-time Commonwealth Bank manager in the decision making for the new board of Telstra. I do not think the shareholders will be the beneficiaries of that. I thought the previous management had it right: let government go and play with the telecommunications system; we will run our business; we will provide services that will be self-supporting for the shareholders. They would have been better off. We are talking today about a guarantee that the government did not think they needed—an appropriation—and they have got it, but it is time that they accepted that their borrowing program is costing homeowners and small business and it will cost them more.

Mr CHEESEMAN (Corangamite) (6.29 pm)—I rise to speak on the Guarantee of State and Territory Borrowing Appropriation Bill 2009. This is another example of a government acting with foresight. This is another bill that shows we are acting appropriately and in a timely way to address potential issues that flow as a result of the global financial crisis. This bill is about guaranteeing potential claims made under the government’s guarantee of state and territory borrowings. The bill appropriates funds to enable claims to be paid under the deed of guarantee in accordance with the scheme rules. The bill also provides a borrowing power should there be insufficient funds in the Consolidated Revenue Fund at the time claims are to be paid. As I said, this is about being ahead of the game. It is about anticipating what may be ahead, even as a remote possibility, and putting in place the machinery to deal with it. This shows the Australian government is dealing with the global financial crisis admirably.

What a tremendous effort it was to see the figures last month, to see Australia avoid a recession. Only a few countries in the world can boast this today. When countries around the world are seeing negative growth, Aus-
Australia is growing. That is a great result. In the context of a worldwide recession, it is a truly great result. According to the IMF, world output is projected to decline by 1.3 per cent in 2009 as a whole. The IMF said in a recent bulletin that the advanced economies experienced an unprecedented 7½ per cent decline in real GDP during the fourth quarter of 2008. Emerging economies too are suffering badly and have contracted by four per cent in the fourth quarter on an aggregate basis. Whilst all this mayhem in world trade and world markets was happening, Australia still managed to grow. That is a fantastic thing.

During the worst financial crisis since the Second World War, in the three months leading to 31 March gross domestic product rose 0.4 per cent. That is a testament to the management of the Australian economy by the Rudd Labor government. The only conclusion that I can draw is that the Rudd Labor government have got things spot on in terms of economic management. As economic managers, the plain facts tell us that we have done better than nearly every other country in the world. This bill is another piece in building the wall that is holding back the tide of world economic recession in Australia.

The global recession has severely constrained liquidity in semi-government bond markets. Our government, through this bill, is supporting and underpinning liquidity in these markets. It is very important to maintain the capacity of state and territory governments to deliver on nation-building investments. Pulling back on critical nation-building infrastructure investment now would hinder a recovery from the global recession, resulting in slower growth and of course higher unemployment into the future. The bill will provide investors with the assurance that Australian states and territories are, in their borrowings, supported by an Australian government guarantee and that the payment of any potential claim under that guarantee will be timely.

In defending Australia against economic recession the Australian government will leave no stone unturned. We are looking at every aspect of government, making sure we are secure in all areas so that confidence is maintained in our financial system. And confidence is now slowly returning to our economy. Confidence is returning precisely because the Australian people recognise that we have a very competent and decisive government to steer the ship through these difficult economic times. Australian exports and consumer spending increased recently and many stocks are rising as a consequence. That was a vote of confidence in the Rudd Labor government. The Australian currency also rose to its highest level in eight months against the US dollar. These figures have been achieved, as I said, in the deepest post World War II recession that we have seen to date.

These growth figures have been achieved at a time when output per capita is projected to decline in countries representing three-quarters of the global economy. What do you conclude from this, Madam Deputy Speaker? That we are providing a little bit of inspiration to the rest of the world is my conclusion. I think that, with decisive leadership and good policy settings, we can beat this recession and provide some inspiration to the rest of the world along the way.

An important aspect of this bill is the security it provides to the states and territories in these very difficult times. The ability of the government to make timely payments of potential claims is an important consideration of ratings agencies and investors in assessing the efficacy of the guarantee. The guarantee of state and territory borrowings will be established through a deed of guarantee and the supporting scheme rules attached
to it. Expenditure would arise under the deed of guarantee only in the unlikely event that a state or territory fails to meet its obligations with respect to a commitment that is subject to the deed of guarantee, and of course the deed of guarantee is called upon. In this case, the government is likely to be able to recover any such expenditure through a claim on the relevant state or territory. The impact on the government’s budget would depend on the extent of the state or territory’s default and its ability to meet the government’s claim.

In simple layman’s terms this bill joins together state, territory and federal governments in a united front in the war on the recession. We recognise that should a state or territory become exposed it will reflect in a crisis of confidence for the whole system of government in this country. So the Rudd government is backing up the state and territory governments through this bill.

I want to mention a couple of aspects of federal government policy that I think have been absolutely critical in terms of Australia’s good economic performance. Firstly, of course, there is the decisiveness with which the Prime Minister and his cabinet have acted. The world and Australians have watched with some awe at the scale, speed and nature of the stimulus packages that we have rolled out. The schools packages provide infrastructure for the future and are providing jobs for tradies today. Millions of mums and dads and tradies have recognised that this is first class economic management and a major overhaul of public policy. It provides job security for tradies and an education for our youth for the future. It is great public policy, I contend.

Also, the first home buyers grant has been rolled out. It also is great public policy as it enables many people to access the property market for the first time, and it puts a floor in real estate prices. It is giving young families a unique opportunity to own their own home and, again, it is helping to shore up our vital building industry and providing spin-offs for retailers and manufacturers across Australia. Then there are the Community Infrastructure Program building projects: local sports fields, community building upgrades, walking trails and tourism infrastructure. It has all helped to keep Australians working and to keep Australia’s economy ticking along.

This bill pulls together both federal and state governments at the highest economic levels to help counter the economic recession. But we should not forget the contribution of local government and people working in our state and federal bureaucracies at all levels in fighting the economic recession. At the local level and at the state and federal bureaucracy level I have been amazed at how everybody has put their shoulder to the wheel to get these projects up and running and create employment to keep the economy going. I reckon more red tape has been cut in the last six months under Labor than probably in the last 60 years, and that is a very good thing. I would like to put on record my thanks to all those people who have worked and who are working in local, state and territory governments and the federal government to get these projects up and running.

In conclusion, whilst this bill will provide some further confidence in the Australian economy and whilst I am upbeat about the policies of the Rudd Labor government and the recent economic outcomes, we have a long way to go and we are clearly not out of the woods yet. We know that recovery in Australia and worldwide will be a slow and difficult process. We know that there will be hiccups and economic potholes along the way. But we can have confidence that we have a government that is decisive, that is hard-working and that is on the ball and creative. We will continue to look at all areas of government into the future to make sure
we are doing our very best to keep Australia working and to keep the Australian economy strong. I commend the bill to the House.

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (6.41 pm)—I would like to thank those members who have participated in the debate on the Guarantee of State and Territory Borrowing Appropriation Bill 2009. As the government has said before, we face the worst global recession in 75 years and this has seen almost every advanced economy record a contraction in GDP in the March quarter of this year. Despite Australia being better placed than almost any other country and despite the success of our stimulus, there is a rocky road ahead, especially when it comes to unemployment.

Australia’s financial markets are strong but they have been affected by the global financial crisis. The market for state and territory bonds has also been affected by the turmoil in global markets and liquidity in semigovernment bond markets has been severely constricted. This has threatened the capacity of state and territory governments to deliver critical infrastructure projects that will support jobs in the face of the global recession. It is crucial that states and territories are able to access the credit markets and the guarantee of state and territory borrowing recognises this. Indeed, supporting semigovernment bond markets is critical to maintaining the capacity of state and territory governments to deliver critical nation-building infrastructure. Cancelling or delaying infrastructure investment would hamper the recovery from the global recession causing slower growth and higher unemployment into the future. State and territory government infrastructure spending supported by the guarantee will work hand in hand with the government’s own infrastructure investment to build a stronger Australia, supporting jobs today by investing in the infrastructure that we need for tomorrow.

This bill is essential to provide investors with the assurance that state and territory borrowing will be supported by an Australian government guarantee. To do this, the bill provides a standing appropriation so that in the unlikely event that claims are made under the guarantee they can be paid in a timely manner. A standing appropriation is also put in place to allow any borrowings made under this bill to be repaid. A borrowing power is also provided to enable timely payment of claims should there be insufficient funds in the consolidated revenue fund in the unlikely event that claims are to be paid. This will ensure that state and territory governments can raise the funds they need to support jobs today by investing in the infrastructure of tomorrow. This government’s No. 1 priority is a nation-building recovery that supports employment and this bill is a key part of governments of all level and of all political persuasions pulling together to help the Australian community withstand these global conditions that are challenging our nation. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (6.44 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Debate resumed from 28 May, on motion by Ms Roxon:

That this bill be now read a second time.

Mr DUTTON (Dickson) (6.45 pm)—I rise to speak on the Private Health Insurance (National Joint Replacement Register Levy) Bill 2009. By way of background, on 6 July 1998 the then health minister, Dr Michael Wooldridge, announced funding for the Australian Orthopaedic Association to establish the National Joint Replacement Registry. This was an important initiative, as the Australian Orthopaedic Association had recognised the need to establish a national joint replacement registry as far back as 1993. Until the registry was established, there was a lack of information regarding patients who were receiving prostheses, the types of prostheses and the surgical techniques used to implant them. The Australian Orthopaedic Association should be rightly proud of the growth, success and benefits that have been derived from the establishment of the registry.

According to the Australian Orthopaedic Association, there are 70,000 hip and knee replacements undertaken each year in Australia, having increased from around 25,000 in 1998. This number will only continue to grow. Given the variability in joint replacement success, the registry has an important role in collating and analysing data regarding joint replacements. The registry collects data regarding patient characteristics, prostheses types and features, methods of prostheses fixation and surgical techniques used. The primary measure of outcome is revision surgery. The registry also monitors mortality rates, with the information being used by surgeons, other health care professionals, governments, prostheses sponsors, patients and the wider community. Armed with this information, real improvements can be made and have been made in joint replacement surgery.

This bill sets out cost-recovery arrangements for the operation of the registry. Levies will be imposed by this legislation on sponsors of prosthetic devices and will be used for the funding of the registry. Sponsors will be levied according to the number of joint replacement prostheses they sponsor. Different levies will be imposed for different joint replacement prostheses and rates will vary between zero and $5,000 per financial year. This variation in levies is supposed to reflect the different benefits applying to prostheses listed on the Commonwealth Prostheses List.

The explanatory memorandum identifies that the benefit applying to some joint replacement prosthetic devices ranges from less than $50 to as high as $67,000 per product. Whilst there is a legitimate debate to be had about cost-recovery measures, we know that this government clearly is not interested in a genuine policy debate on such issues; they are just looking for easy targets to cover the Treasurer’s economic incompetence. We have seen blatant revenue grabs time and time again from this government, irrespective of the policy implications and outcomes for the Australian public. We have seen it with the alcopops legislation, we have seen it most recently with the private health insurance rebates, and we have certainly seen it with caps to the Medicare safety net. These recent measures are blatant revenue grabs by a reckless government that after just half a term in government have destroyed this country’s hard earned wealth and good fortune.

All Australians will pay a price for the government’s ideologically driven changes,
particularly in relation to the private health insurance rebate. Those who rely on public health treatment can expect waiting lists, with more people seeking treatment, and those with insurance will pay more through higher premiums. By the government’s own admission, the government’s recently introduced changes will affect some 1.7 million adult policyholders. It is inevitable that some of these people, especially given the current economic environment, will downgrade their cover and some drop it all together. This will place upward pressure on premiums, and so the spiral begins.

The government would like us to believe that only the very rich and privileged have private health insurance. But the minister does not really address what effect the upward pressure she is putting on premiums will have on the one million Australians earning under $26,000 per annum who have private health insurance. The government continues to blame the current economic circumstances for the country’s ballooning debt and deficit without taking any responsibility for their own poor economic management. The difficulty for this government is that the Australian public will soon tire of excuses. They will tire of the cuts to successful and carefully considered health policies. Sooner or later the Rudd government will have to stop cowering behind the global financial crisis and take responsibility for its actions in plunging this country into unprecedented debt. There is no magic pudding. The Labor government’s economic recklessness will have far-reaching consequences. And now we know that Mr Rudd has no hesitation in breaking key election promises, there is no certainty or stability for health policy in this country any longer.

This government’s list of broken promises is long. Their assurances regarding private health insurance are well documented in this House. As recently as 24 February this year, the health minister said to the Age newspaper:

The government is firmly committed to retaining the existing private health insurance rebates.

Yet this statement was made by the minister at the same time that officials from the Department of the Prime Minister and Cabinet were providing formal advice regarding the proposed changes to the private health insurance rebate. So the minister is saying one thing to the public whilst PM&C and her own department are looking at policy options which would go in the exact opposite direction to that on which the minister has just given, on that same day, a firm commitment. Health is a portfolio that requires careful and considered long-term planning, not frequent, ill-considered, ideologically convenient changes driven by a broke and incompetent Treasurer. Health policy in this country should be administered by the health minister, not a panicked and desperate Treasurer.

As I have stated previously, and on many occasions, there is a legitimate debate to be had on cost recovery. The coalition has engaged in that and is willing to further engage in that. Under any cost recovery measure, though, there needs to be genuine engagement with all affected stakeholders. There is no denying the significant benefit that has been derived from the joint replacement registry, and it is important that the good work continues to be funded appropriately. Whilst the industry would acknowledge that as sponsors they derive benefit from the registry, they are by no means the sole beneficiaries, and government should adequately justify such cost recovery measures. The information collated by the registry is of benefit to many stakeholders, including surgeons, governments and private health insurers. The levies proposed in this legislation are in addition to the application and ongoing listing fees already incurred by sponsors of joint replacement prostheses. There has been a
lack of consultation on this measure—no question—and a lack of evidence presented by the government on what other funding mechanisms were considered. Or have they just gone for another easy revenue grab, ignorant of the impacts and policy outcomes? Whilst the bill acknowledges the differing benefits applicable to prostheses, there is a reasonable expectation that in determining appropriate levies consideration will also be given to the frequency in which prostheses are utilised in procedures.

A debate on health will unfold in the months before the next election. We know the government are desperate to go to an election before the next budget, before they release details of how much further debt they propose to go into—that is, how much more debt will be hung around the necks of all men, women and children in this country for decades to come. The important debate about health that is to be had will be crucial because the government promised at the time of the last election—only 18 months ago—that they would fix public hospitals by 30 June 2009. So there is less than two weeks to go. Yet the government have not even released any detailed criteria or benchmark by which they will determine whether or not they have met that election promise. In the Main Committee last night I asked three questions of the Minister for Health and Ageing. I asked her to please detail even just one criterion by which they could assess whether or not they had made sufficient gains over the last 12 months in public hospital management and outcomes to justify a claim that they would fix hospitals by mid-2009.

The Prime Minister was very definite in the language that he used. Despite the fact that he has pulled down that wording from his website, we have printouts of the website that show the commitment he made during the election campaign that he would fix public hospitals by mid-2009. ‘I will end the blame game and I will fix public hospitals by mid-2009.’ He said that even though he had no interest or genuine concern in fulfilling that.

We know that over the coming months the government will receive advice from various reports, studies and commissions they have had working on this very important issue. That advice will be returned to government and in due course the government will be required to reply. This is an amazing process, because the government will no longer have the opportunity to hide behind the commissions and reports that they have put into the field over the last 18 months. Crunch time is coming for the Rudd government in relation to health. Frankly, they can delay no longer. They need to recognise that it is going to be a big call for them to say that they will not live up to their election commitment to fix public hospitals. If the Prime Minister walks away from that commitment then there will be a strongly-held belief in the Australian community that the Prime Minister is a fraud, that he says one thing because focus groups dictate it but when it comes time to deliver on a promise he is nowhere to be seen.

The DEPUTY SPEAKER (Ms AE Burke)—I think the member should come back to the bill before us.

Mr DUTTON—Of course, Madam Deputy Speaker. This bill goes to a very important part of the delivery of health services by this government—in particular, the services that are delivered in public hospitals. That is why I say to the House that it is incredibly important that the Australian public under-
stand that when Kevin Rudd made a promise to fix public hospitals by mid-2009—

**The DEPUTY SPEAKER**—The member will refer to individuals by their appropriate title.

**Mr DUTTON**—As the then Leader of the Opposition, Kevin Rudd said he would fix public hospitals by mid-2009. Clearly, there was no interest in doing that or in fulfilling that promise.

**Mr Gray**—Madam Deputy Speaker, I rise on a point of order. I ask that the speaker refers to ministers and office holders by their office, not simply by their name. Also, I make the point that on occasions references have been made that are regarded as both unparliamentary and inaccurate.

**The DEPUTY SPEAKER**—I thank the member.

**Mr DUTTON**—The Prime Minister, the then Leader of the Opposition—and his name is Kevin Rudd; he is now Prime Minister Kevin Rudd—made a statement to the Australian people that he would fix public hospitals by mid-2009. That was a hollow promise. I do not believe that the Prime Minister ever had any intention of fulfilling that promise to the Australian people. As I say, we are less than two weeks away from the end of this financial year. It is fast approaching. The federal government, the Prime Minister, have not yet even put on the table the criteria they will use to determine whether or not public hospitals have been fixed. That is an amazing outcome.

On three occasions in the Main Committee last night, when I directly asked the minister this very question, she looked at me blankly. She looked at me like she had no idea what I was talking about, like she was thinking: ‘What? You would put criteria in place to assess whether or not you had fixed public hospitals?’ How else were the government going to determine whether or not they had fixed public hospitals by mid-2009? If Australians in either metropolitan or rural and regional areas have a public hospital in their area which has been fixed, I implore them to please contact my office to give me details of how the Rudd government has fixed even one of the 750 public hospitals over the course of the last 18 months. When this Prime Minister said 18 months ago that he would fix public hospitals, what did he mean?

The Christine Bennett review, the Health and Hospitals Reform Commission review, is due to come back to the government by 30 June. The Prime Minister cannot say, ‘We can’t declare that we have achieved our outcome of fixing public hospitals until we have seen the findings, the outcomes and the recommendations of that report.’ The two are completely separate. The Bennett review will return a report to the government, and Professor Moody’s preventative health task force will return some recommendations. Those people should be commended, as should the committees, for the work they have done in speaking to people and for the time and effort they have put into it. They will provide recommendations and considerations for government post 1 July this year. Their work is to look at how the system can be constructed in the future. Their task is to look at how the provision of health care for Australians can be made better at both the federal and state levels over the coming years.

**The DEPUTY SPEAKER**—The member for Dickson should return to the bill before us. I have allowed him to wander quite substantially, and I understand the link he is making. The bill before us is the Private Health Insurance (National Joint Replacement Register Levy) Bill 2009. I ask him to return to the bill before us.
Mr DUTTON—Madam Deputy Speaker, I know your long-held interest in the area of health, and you have been quite obliging. The point I make in relation to this bill specifically is that, as we go forward we have to think about how our public hospitals provide services. There can be no more important services for people than those provided by the surgeons and skilled clinicians in the public hospitals, particularly in relation to the devices we are talking about in this bill. The way in which services are provided through public hospitals, particularly for the devices we are talking about in this parliament tonight, is something the Prime Minister needs to examine. He could even use the successful delivery of prostheses over the last 12 or 18 months as justification for his claim that he has fixed public hospitals.

It would be remarkable if we went forward with the Prime Minister trying to use the excuse that he has to wait for these reports. As I said, they have nothing to do with what has taken place over the last 12 or 18 months and whether the federal government has fixed public hospitals. I say to those members opposite who intend to contribute to this debate: please tell me as part of this debate exactly how it is that public hospitals in your community have been fixed over the last 12 months. I say to the member for Shortland, who always has great delight in following me in these debates—

Ms Hall—I love it. It makes my day.

Mr DUTTON—Such is her want in life that she finds great pleasure in following me in these debates. I always welcome her worthy, considered contributions. As part of your contribution tonight, member for Shortland, please say to this House how the public hospitals in your electorate have been fixed over the last 18 months. Make the claim in the House tonight—this is the challenge to the Labor Party; meet this challenge—that even one public hospital anywhere in the country has been fixed over the last 18 months. Not only would I be astounded but I would take up immediately the invitation from the member for Shortland to visit that hospital. I would be very pleased to go to the hospital with the member for Shortland to discuss with the clinicians there, the doctors and nurses, exactly how that hospital has been fixed. That would be a revelation. If the Prime Minister can claim that he has fixed even one public hospital over the last 12 months then I will visit that hospital.

The DEPUTY SPEAKER—Either the member for Dickson will come back to the bill or I will draw him to a conclusion.

Mr DUTTON—Madam Deputy Speaker, thank you for the House’s indulgence tonight on this incredibly important issue. It goes without saying that the coalition have provided support and we have noted our concerns, concerns which are reflected by the stakeholders’ very real concerns. We will be monitoring this very closely. We will see exactly how this government operates this cost-recovery regime. We remain very concerned that many of these measures are nothing more than desperate revenue grabs by a government that has lost control of the economy in such a short period of time.

It is a remarkable feat that this government has been able to turn a $22 billion surplus, money in the bank, into such debt. To achieve this deficit after only two budgets is a remarkable feat even for a Labor government, and that is saying something when you look state by state. This conditional support has those reservations based on the concerns that have been raised by the industry. On that basis, we do not oppose this bill.

Ms HALL (Shortland) (7.05 pm)—I was pleased to hear that the member for Dickson is actually supporting the Private Health In-
surance (National Joint Replacement Regis-
ter Levy) Bill 2009. I was a little doubtful
whether he was going to support it, or even if
he knew what was included in the legisla-
tion. Before I go to my contribution on this
legislation, I would very much like to touch
on some of the issues raised by the member
for Dickson. It is easy to see why he is the
master of fear and smear in the opposition. It
is not surprising—and the Australian people
will learn—that on numerous occasions in
question time he has been asked to leave the
chamber, because he tends to get involved in
the fear and smear and the abuse that he is
noted for in this House.

The positions of health minister and
shadow health minister are probably two of
the most important positions within the par-
liament. It is beholden on the people in those
offices to behave responsibly, to put forward
their vision for health and to know what
health is really about. It is important for
those people that fill those offices to really
know where they want the nation to go when
it comes to health. There is more to being a
shadow health minister than standing up and
just opposing absolutely everything that
comes before the parliament. I have yet to
see that the shadow minister has any under-
standing of any of the real health issues
within this country. I note he spent consider-
able time talking about the government’s
response to the global financial crisis without
even acknowledging that a global financial
crisis existed. It was his decision to use his
speaking time—I hope he noted I did not get
up and object; I allowed him full rein—to
attack and oppose every health decision and
every health direction that the government
has taken.

From that I assume that he opposes the
very outstanding report of the House of Rep-
resentatives Standing Committee on Health
and Ageing, which the member for Fairfax
chaired in the last parliament, called The
blame game. It identified most of the key
health issues facing Australia. I have to say
to the shadow minister that most of the pol-
icy decisions, the directions to the future of
health in Australia, that the government has
taken have been following on from that re-
port. In lighter moments when I talk to the
member for Fairfax, he will say to me,
‘You’re implementing our report.’ So he sees
that the Rudd government has picked up and
run with the report—which, I might add, we
never received a response to from the former
government—which created the blueprint for
health in Australia.

I know that the member for Dickson be-
comes very preoccupied with private health
insurance. We have had that debate. There
was a vote on it. He made very clear his po-
sition on the changes to private health insur-
ance. But tonight I hear him putting up that
old furphy that pensioners and people on low
incomes are going to lose the 30 per cent
rebate. That is what he insinuates. It is more
of the fear and smear, more of being dishon-
est with the Australian people and more of
not really understanding what health is
about.

One of the most important aspects of the
health system is that we have confidence in
our health system. During the inquiry into
health that culminated in The blame game
report, we had a quote which is at the start of
one of the chapters. To listen to the member
for Dickson, one would believe that our Aus-
tralian health system is on the verge of col-
lapse, that this has only happened since the
Rudd government came to power. It is quite
the contrary; there have been so many posi-
tive initiatives taken since the Rudd govern-
ment has come to power that our health sys-
tem is in a much better condition. This per-
son who gave evidence to the inquiry stated,
‘Sure, there are some problems with the
health system’—and this was under the
Howard government, when it was in
power—‘but if you get sick there is no place in the world that you would rather be than Australia, because the quality of the health services here is second to none.’ The member for Dickson needs to be mindful of that fact.

Health is a very important debate. We on this side of the House are ready to have that debate. The review that is taking place at the moment and the report that is due to be brought down at the end of this month will form a blueprint and be a very important part of where we on this side of the parliament go. But we are also very lucky that we have a health minister that does have a vision for health in Australia. She has very much made her mark in the area of health. Every minister that holds the health portfolio is able to influence the direction that we go in with health. She has made a very strong contribution in the area of community and preventative health. As a nation, if we can address a major health issue or a disease before it becomes critical, we are going to be in a much better position. Prevention is always better than needing to put all your resources into a cure.

I have never once stood in this House and heard the member for Dickson give us a vision, give us an idea of what he believes in, as far as health goes. What he believes in as far as health goes is attacking the government. It is always ‘this Prime Minister’ or ‘this minister for health’. It is never, ‘I think that this is the direction we should go in for health.’

The DEPUTY SPEAKER (Ms AE Burke)—Member for Shortland, I ask that you come back to the bill before the House. You’ve had a good reign.

Ms HALL—I am very happy to do so, but I felt that I needed to address the comments that were made by the previous speaker. I am very happy to make my contribution to the debate. So far I have been dealing with the issues that have been raised by the shadow minister and his vision for health, which revolves around private health insurance. If he was really honest with the Australian people, he would say that people should receive the kind of health care they can afford to pay for, not the kind of health care they need.

The Private Health Insurance (National Joint Replacement Register Levy) Bill 2009 collects information about joint replacement surgery, such as for hips, knees, ankles, shoulders, wrists and spinal disc replacement procedures. It reports on the safety and the quality of and devices used in these surgeries to ensure that patients get the best outcomes. This register is extremely important, because it provides information on the types of procedures that are being undertaken, the effectiveness of the devices, whether or not the surgeries are successful and whether a particular device should continue to be on that register. This bill will impose a levy on sponsors for joint replacement prostheses to recover the cost of the National Joint Replacement Registry. I think this is a responsible way to go. I think it is very important that you have proper cost recovery procedures in place and I think it is important that something like this register be self-funded. That is exactly what will happen under this legislation.

The bill defines a sponsor as a person who has had a joint replacement prostheses if the joint replacement prostheses is currently listed in the Private Health Insurance (Prostheses) Rules—and I point out here that the Howard government streamlined the register and put in place some limits on the type of prostheses that could be listed—either as a result of an application made by the person under the Private Health Insurance Act 2007 or is listed in accordance with the Private Health Insurance (Transitional Provisions and Consequential Amendments) Act 2007.
It defines a joint replacement prosthesis as a prosthesis listed in the Private Health Insurance (Prostheses) Rules and which is used for joint replacements. It provides a rule-making power for the rate of the national joint replacement register levy.

Joint replacements are becoming more and more common within our society. We have an ageing population. Part of the consequences of people living longer is that sometimes joints wear out. When those joint replacements take place, we need to make sure that we have full and reliable details of the operations that are happening. Around 70,000 Australians have had joint replacement surgery in the last 12 months. The National Party Whip in this parliament has had double hip joint replacements and the whip's clerk has had hip replacements. They are quite young people. My mother has had a hip replacement. I am sure that each and every member of this parliament could identify a person close to them who has had a joint replacement.

The register estimates that the information it has provided has improved surgical practices and changed the use of particular devices, reducing the number of unnecessary revision surgeries by 1,200 Australians a year. That is very important, because every time you have a joint replacement procedure that fails and you have to have it done again the chance of success is a lot lower and the outcome is a lot poorer. People need to have the confidence that that hip or knee replacement that they have will be effective. This register is a very important instrument and piece of health information. I think members of this House should be very supportive of the role that it plays in our health system.

In addition to improving patient outcomes, it is estimated that the register has saved the health sector and consumers around $44.6 million. That is a lot of money. The expenditure on hip and knee prostheses represents around 30 per cent of the total expenditure by private health insurers on prostheses. Insurers paid over $1 billion in benefits for prostheses in 2007-08, out of a total of $74 billion spent on hospital benefits that year. This means that prosthesis expenditure represents around 15 per cent of privately insured hospital benefits outlayed.

The register assisted in ensuring this funding and that public hospital expenditure is directed to better-performing products with low revision rates. Once again, it is looking at the integrity of the prosthesis and looking to ensure that you can reduce the number of times that that procedure has to be revisited. It is therefore vital that the register continues to have a stable source of ongoing funding. How do you achieve that stable source of funding? I would argue very strongly that this legislation will do just that. Taxpayers have met the operating costs of the register for over 10 years, which is now around $1.6 million a year. It is appropriate that the manufacturers and the importers of the medical devices used in joint replacement surgery now fund the cost of the register.

The new cost recovery arrangements will be similar to the funding arrangements of the United Kingdom's National Joint Registry, which is funded through a levy on joint replacement products. It is a sensible way to manage the register and it is a very sensible means of cost recovery. The register provides invaluable market surveillance of joint replacement prostheses and the monitoring of the safety and quality of devices provides considerable benefit to both the industry and the consumer—I think I have already touched on that—by improving consumer confidence in the safety and efficacy of joint replacement devices. Any devices showing high failure rates can be identified quickly and promptly removed from the market. Health consumers need to know that the
product that they are having inserted in their body is safe and that, if there is any problem with it, it will be picked up very quickly and removed from the register.

The data produced by the register also assists the industry by informing the development of new prostheses, allowing manufacturers to draw on reliable performance information for existing products and designs. The introduction of cost recovery arrangements will produce budget savings of $5 million over four years. This is outstanding legislation. It delivers certainty to the Australian community and certainty to the users of the register. I strongly support the legislation before us tonight.

Mr CHEESEMAN (Corangamite) (7.25 pm)—I commend the member for Shortland’s assassination of the argument put forward by the member for Dickson and his continuing undermining of the public health system. I take the opportunity today to talk about the Private Health Insurance (National Joint Replacement Register Levy) Bill 2009 and to make some comments about our health system generally. This bill is another example of the strength of Australia’s health-care system. I will speak about the technical side of this bill in detail in a moment, but I would first like to set the context. As we know, due to the foresight and wisdom of previous Labor governments dating back to the Whitlam era, Australia has a health system that is the envy of the world. Representatives from countries around the world are regularly visiting Australia and asking us questions as to what is our secret, how we deliver such a quality health system and at such a cost.

The answer, I believe, is twofold. First of all, we have a guarantee to a universal standard of health care through the Medicare system. This great principle was achieved by successive Labor governments and is now so popular amongst the Australian public that it can only be undermined by stealth from those on the other side of the House. The second part of the secret of the success of Australia’s health-care system is our vigilance on costs and the constant refinement of the system to ensure it is always delivering good value to the Australian consumer. That is, of course, what we are doing here today. The refinements we are putting in place through this bill are all about keeping costs down and improving our research and evidence base for care and the products we use to deliver that care.

Whilst universal health care is the major principle of our health-care system, we do of course have a mixed and balanced system. An important part of our health-care system is the private health insurance component. This is what we are looking at today. This is another example at how Labor are running a very tight and controlled ship in relation to the Australian health-care system. Unlike the opposition, we do not believe in just letting the market rip. We do not want an out-of-control market in our health system like the one that has brought the international global economy to its knees. We do not want a healthcare market that has been allowed to operate unfettered and with a focus only on profits rather than the efficiency and effectiveness of the healthcare system. So we are doing a bit of intervention in the market. We are intervening in the healthcare market to ensure Australia has a good healthcare system and good value for our healthcare dollar.

The National Joint Replacement Register—or the NJRR, as we call it—collects information about joint replacement surgeries such as hip, knee, ankle, shoulder, wrist and spinal disc replacement procedures. It reports on the safety and quality of these surgeries and the devices used in those surgeries to ensure patients get the best healthcare outcomes. This is about intervening to ensure
that evidence based healthcare decisions and a transparency of the healthcare system are maintained.

What will this bill do? It will, of course, impose a levy on sponsors for joint replacement prostheses to recover the costs. A sponsor is defined as a person who has a joint replacement prostheses listed in the Private Health Insurance (Prostheses) Rules or the person was the sponsor of that prosthesis immediately before the commencement of the National Health Act 1953 or is listed in the Private Health Insurance (Transitional Provisions and Consequential Amendments) Act 2007.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Youth Allowance

Mr HAWKER (Wannon) (7.30 pm)—Tonight I want to bring to the attention of the House the really devastating effect the changes to Youth Allowance are going to have on students and potential students in my area and, I know, right across the nation, particularly in the country. The thing that is really making people in my area angry is the fact that the government is bringing in a retrospective change, so that those who started to take a gap year in anticipation of qualifying for Youth Allowance are now finding that under the change in rules they will not qualify. For many, it is quite devastating.

Just to give an idea of the anger that is around, there was a meeting held two weeks ago in Warrnambool to which 400 people turned up. Two petitions have been put around, and in a very short time nearly 2,000 signatures have been obtained—and I intend to table them next week. What this really highlights are the difficulties country students are facing in trying to go on to tertiary study.

We start with the obvious problem, which is that for most country students leaving home is not a question of choice; it is a necessity. That in itself is not easy, but it means of course that it costs them a lot more to continue studying. Then we have the problem with deferring starting, because, under the proposal the government is putting forward, that deferral will now have to be for two years while a student is working. But universities generally do not hold the places for that long; so, even if a student has been accepted, that does not mean that they will be able to get into that university after they have deferred. And, of course, as one of the local principals of a big high school in my area said, if a student defers for two years and starts earning an income, it is very, very difficult to go back to study. So, when we look at the impact of this measure, we can see clearly that it is very much disadvantaging country students—and, as I said, it is a retrospective change.

I can quote another principal from my area, who made the point:

The tighter eligibility criteria served as a “double disincentive” to pursue higher education.

That is what Hamilton and Alexandra College principal Bruce Simons said. He went on to say:

But if the changes were approved, parents of students starting secondary education now would have little choice but to discourage their plans to go to university …

Without income assistance, many Hamilton district families would be forced to move to Melbourne to support their child while they studied.

The article I am quoting from also says:

According to data published yesterday, Mr Simons’ school has the highest percentage of students across the state to defer their studies.
The On Track Survey shows 64 per cent of those surveyed at the college had deferred their tertiary place. Clearly, not all those students are going to be able to go on and study under the changed rules. Another report, also in the Warrnambool Standard, said:

SOUTH-WEST families with three children at university in Melbourne could be forced to fork out as much as $200,000 to support their studies under the new Youth Allowance criteria, according to South West Local Learning and Employment Network’s (LLEN) chief executive officer. The chief executive officer, Toni Hancock, said:

If you have three children at university, and I’m basing this on an actual case from the Warrnambool region, you will be paying about $60,000 a year for those three students to live outside this area to go to university …

Clearly, this is targeting country students and making sure that they just do not have that opportunity. A report in the Portland Observer pointed out:

RURAL students may be forced to put aside any plans to pursue tertiary studies as a result of changes to the youth allowance eligibility criteria announced in last week’s federal budget.

It goes on to give an example of a student who deferred and is currently working at Bakers Delight, but she is wondering what the point is.

The other statistic that I thought should be stated is this:

Warrnambool College careers advisor Peter Bollard said 39 per cent of the 2008 year 12 class deferred their university place to meet the eligibility requirements.

And, as the Warrnambool Standard said at the time, in its editorial:

The Federal Government’s changes to the Youth Allowance criteria, announced in the Federal Budget, are an insult to regional Australian students.

It concludes:

For the sake of regional students, the Government must think again.

The impact of this change is clearly disadvantaging people in the country. That is why I will be tabling those petitions and that is why the opposition is going to move to take out the retrospectivity of these changes to Youth Allowance. (Time expired)

Building the Education Revolution Program

Mr DREYFUS (Isaacs) (7.35 pm)—I am proud to be part of a Labor government which is undertaking the largest school modernisation program in Australia’s history to support local jobs, to stimulate every local economy and to invest in important long-term infrastructure. I am proud to see the funds that are being rolled out through Building the Education Revolution. But it has been extraordinary over the last several sitting weeks to sit here and listen to not simply the dishonest scare campaign that has been run by those opposite in relation to debt and the stimulus package as a whole but, more particularly, the dishonest campaign that is being run by those opposite in relation to the Building the Education Revolution program.

The misrepresentations that we have heard from those opposite about Building the Education Revolution over the last several weeks have been extraordinary. They have referred to discrepancies in pricing. They have made accusations about the way in which the state governments are cooperating with the federal government on this program. And it is apparent that they have not read the guidelines for Building the Education Revolution. They have not attempted in any serious way to find out what the state governments are doing in relation to government schools under this program and, indeed, they have not taken the trouble to find out the way in which the Catholic school system and the independent school system are dealing with
the Building the Education Revolution funding.

The accusations about underspending and, indeed, all of the other misrepresentations that have been made by those opposite are entirely without foundation. Most importantly, what needs to be borne in mind about this program is that those opposite voted against it. It is outrageous that they have come into this House, day after day, raising complaints about a program that they voted against in its entirety. They fail to recognise that this program is supporting jobs and providing employment.

I can speak for my electorate in saying that, already under this program, some $62.7 million has been allocated to schools, and that is only in rounds 1 and 2 of the program. Apparently what those opposite want us to do, because they do not wish this program to be occurring at all, is to spend less. In saying that they wish us to spend less, those opposite are saying that they wish this government to emulate their record on education during their 11½ years in government. They want us to spend less on early childhood education. They want us to spend less on tertiary education. They want us to spend less in every sense on education because by doing that we would be emulating their record while in government.

I know that the Rudd Labor government will not be doing less. We will be doing more in relation to early childhood, we will be doing more in relation to infrastructure for schools and we will be doing more in relation to the tertiary sector because we do not wish educational standards to slip. We do not wish to be at the back of the pack in OECD statistics, which is where the Howard government left us at the conclusion of its term in office. We do not wish the children of Australia to be educated in substandard facilities, and we do not wish our nation to lack a 21st century vocational education and training system which is capable of meeting the needs of a modern country.

I am looking forward to Liberal Party members coming to my electorate and telling the schools, the principals, the teachers and the parents there which schools in the electorate should not have received funding and which of them should not have received the new buildings that they have so warmly welcomed as part of the Building the Education Revolution program. I suspect that, after their having voted against this program and consistently making misrepresentations about it, we will not be hearing members of the Liberal Party who visit my electorate say that. Rather, they will be pretending that they did not vote against this whole program. They will be pretending to welcome the school programs and the school buildings that are unfolding in my electorate. Over the next 12 months, we are going to see—(Time expired)

**Perth to Bunbury Highway**

Mr RANDALL (Canning) (7.40 pm)—I am delighted to rise tonight and advise the House of the near completion of the long awaited Perth to Bunbury highway, now known as the Kwinana Freeway Extension and the Forrest Highway. It was once referred to as the Mandurah Bypass. With the final kilometres of bitumen being laid, I am hopeful that Peel motorists in my region will very shortly be making the most of this highway.

I have spoken many times about the highway in this chamber, always with the main aim of seeing the 70.5 kilometres—a key piece of infrastructure—delivered on time and on budget. The completion of this highway for Canning residents and the wider Western Australian community has been my priority. Fundamentally, it will dramatically improve road safety. The current route—the
Old Coast Road—is the most notorious stretch of road in the state, with too many white crosses on the side of the road. Between 1996 and 2006 there were 1,560 serious crashes, with 42 fatalities. Next year, an estimated 43,000 vehicles per day will use the increasingly busy and backlogged Mandurah Road and 9,500 vehicles will be on the Old Coast Road south of Lake Clifton. Mr Speaker, you can see why this highway is vital.

I am proud to say that the coalition government was the driving force behind the highway. I took the leadership role—I had to. The former state Minister for Planning and Infrastructure, Alanna MacTiernan, did everything possible to stall the Perth to Bunbury highway. Blinded by the massive cost blow-out of the much maligned Perth to Mandurah railway, the minister ignored the highway for as long as she could, until she was eventually dragged, kicking and screaming, to deal with it. In 2001 the state government submitted an application for federal government funding. It was rejected not because the federal government did not want to build the highway but because the application made it perfectly clear that the state Labor government was not at all serious. It was literally a submission made on the back of an envelope. Two years later, Minister MacTiernan made another half-hearted commitment to build the highway five years down the track and then she stalled on it by insisting on investing in ‘planning studies’. If she had had her way, Peel motorists would have gone without the highway altogether. But, in December 2003, with the then federal transport minister, John Anderson, and roads minister, Ian Campbell, I met with key stakeholders, and this brought about a firm commitment.

On 4 June 2004 the coalition announced a funding commitment of $150 million. On 7 June, the AusLink projects to be funded were finalised and three days later Prime Minister John Howard came to visit the future highway site. This was important. Within a month of finally receiving the planning information, the federal government had committed $150 million. This was the full amount that the state government had asked for. This just shows how highly we rated the road project and how the tactics of the state minister had put the safety of Peel motorists at risk, year after year. The federal government was very keen to get the project going and desperate to make sure that the state Labor government did not try to renege on its agreement. An additional $20 million was made available as long as the project started in 2006. We wanted a start date.

The minister dragged her heels for another year before signing the funding agreement. Costs began to blow out and the state government had the nerve to ask for more federal money. The minister suggested that the money should be used to build the road in two stages. Under this proposal, Western Australians, if they were lucky, might have got the first stage of the road, albeit with the Labor government’s track record on delivering major infrastructure it would have been late and, without a doubt, over budget; but they never would have seen the second stage. It would have been put on the backburner and filed away by the department’s bureaucracy in its too-hard basket. Minister MacTiernan had to be reminded of the funding being contingent on a continuous build—not a two-stage build. If we had not done that, we might have been looking, as I said, at only half a highway today. Strict time frames were attached to the funding. The highway had to be underway in 2006 and open to motorists by the end of 2009. Guess what date the minister decided to turn a sod—20 December 2006. Talk about a death knock!

Despite its shaky inception, the construction phase of the highway has been full steam ahead—largely as a result of the out-
standing Southern Gateway Alliance’s management and innovative techniques, not the former government’s management. The completion of the highway six months early will be a triumph. It is one of the largest single road infrastructure projects in Western Australia’s history. Its completion will mean that there is a freeway all the way from Perth to Mandurah and a first-class dual carriageway from Mandurah to Bunbury. It will cut 30 minutes off the trip to Bunbury and will no doubt ease the frustration of the some 50,000 Easter travellers to Western Australia’s south-west well into the future. (Time expired)

Calwell Electorate: Australian Made Campaign

Ms VAMVAKINOU (Calwell) (7.45 pm)—Last Thursday, 11 June, I was pleased to attend and support the Hume City Council in my electorate of Calwell when it formally launched its Australian Made Campaign. In signing on to this campaign the Hume City Council has proved its commitment to engage with and support our local community and our local economy. The Mayor Jack Ogilvie noted that signing onto the Australian Made campaign will not only boost the profile of local companies but provide ‘leadership and advocacy on the importance of buying local and Australian Made’. The Australian Made campaign is an essential part of this leadership and advocacy and I welcome the launch of this campaign in my electorate of Calwell.

The City of Hume is a place where the old saying, ‘think globally, act locally’ is really put into practice. We are not inward looking. We are not interested in shutting the world out. On the contrary, we have one of the most multicultural, multilingual populations of anywhere in Australia. Our community has a multitude of links with the world at large through heritage; family travel; and of course in this modern era, through culture and media, particularly the internet. We are discerning consumers and appreciate all the world has to offer. But we are also passionate about our own community, about developing our own skills, supporting our own innovators and looking to the future. We want to ensure that our goods, services and ideas are nurtured, encouraged, invested in and purchased.

Manufacturing is an essential part of the national economy but, more importantly, it is an essential part of the social fabric of our local communities and I have long understood just how important manufacturing is in northern metropolitan Melbourne. In the electorate of Calwell we are reminded that livelihoods depend on local manufacturing. That is why I was pleased to be at the launch last Thursday. The Minister for Innovation, Industry, Science and Research, Kim Carr, who launched the campaign, reminded us all that the Australian Made brand, launched under the Hawke Labor government in 1986, has become an economic marketing tool. The Australian Made brand, which I am very proud to support, is recognised by 98 per cent of Australians. Those 98 per cent of Australians know that when they are buying locally manufactured products they are not only supporting local jobs and industries but getting a quality product.

In my electorate of Calwell there are 18 businesses currently signed on to the Australian Made, Australian Grown campaign. They range from Mickleham Olive Oils to Tachni Waterjet and Astra Furniture. These companies recognise the value of promoting Australian produce. In doing so, they are also supporting their community. They are supporting local jobs and supporting local families and they are also giving the next generation of Australians opportunities to innovate and to produce.
Moreover, Hume City Council takes our local economy and our local manufacturing seriously. In signing up to this campaign they have shown a real commitment to supporting and developing manufacturing in northern metropolitan Melbourne. I want to commend the council for this.

The campaign was launched at the premises of a new Australian Made licensee, Kelly and Windsor. Kelly and Windsor is a manufacturer of alpaca, cotton and polyester bedding products. Established in 2001 and based in Campbellfield, they are a great example of how Australian made products can be at the cutting edge of innovation. Kelly and Windsor have cornered the market through integrated technologies. I am pleased to have the opportunity to support his ingenious approach to manufacturing. It represents the future of Australian manufacturing.

Earlier I mentioned Tachni Waterjet. This firm, located in Campbellfield, has just been awarded a $499,000 federal grant under the Climate Ready program, to develop technology to reduce consumption of energy and water by 70 per cent. Great local companies like these demonstrate how Australian made local manufacturing is leading the way not only in developing our local economy and keeping jobs in Australia but also in innovation, research, development and the move towards greater sustainability. While responding to climate change is very much a global challenge we can make a significant contribution by developing our own practical responses here in Australia through such research and innovation.

We need to ensure that the federal Labor government, in conjunction with city councils like Hume and local businesses, work together to see as many people as possible buying Australian made both here and around the world. At the launch last Thursday, Mayor Jack Ogilvie made the following comment:

… our council’s support for the Australian Made campaign is especially relevant in the current economic conditions. The message to buy locally and help protect local jobs takes on a great significance in times like these.

I could not agree more with Mayor Ogilvie.

Youth Allowance

Mr HUNT (Flinders) (7.50 pm)—I rise to address concerns from within my electorate about the impact of changes to Youth Allowance. These are not hypothetical; these are real impacts on real people. It will affect their capacity to pursue their own education, to prosecute their dreams and to take steps forward.

I want to deal with this in terms of the problem and also the solution. The problem has three parts. The first is about the human aspect. It is illustrated by Kieran Stubbs, from Mount Martha. Kieran’s mother, Amanda Stubbs, approached me. Her boy is vision impaired. He has been taking steps to ensure that he qualifies for Youth Allowance through working. He acted on the basis of advice and in a belief that if he took personal responsibility he would be rewarded and allowed to proceed with his education. There is a real risk that by having to work for 18 months he will not be able to pursue his course—for the very simple reason that he is not able to extend his deferral beyond 12 months. That is the reality. A young boy is taking responsibility for himself, seeking to advance his education, earn money and do all that he can, yet the promise of that education is now put at risk.

The second part of the problem is that Kieran’s problem extends widely. Within my own electorate, I have been contacted by many people, particularly within the Bass Coast area, from Phillip Island and from the Bass Coast more broadly. These are folks...
who have a vision of doing something majestic in their life in terms of pursuing their education. Kieran’s problem is a wider problem, in my electorate but also in many other electorates.

Thirdly, there is a problem of principle here. This legislation, this change, is a retrospective change to Youth Allowance. It is not retrospective to sweep up people who have been acting in good faith. We oppose retrospectivity clearly on principle. But it is retrospective to pick up young people who had been working to be able to afford to study, to advance their knowledge and to contribute to society. That is an extraordinary principle which has been broken in this parliament, and we urge the government to rethink and to withdraw.

The solution is very simple. We will take three clear steps to help protect Kieran Stubbs and other students like Kieran throughout the Mornington Peninsula, Western Port and Bass Coast and throughout rural and regional Australia. The first of those steps is to move amendments to the legislation so that students currently working to qualify for Youth Allowance under the existing rules will still qualify for that allowance in 2010. I think that is extremely important. Because the federal budget has been catastrophically blown, we face a future of debt and deficit that people such as Kieran will have to pay back. We know that this should cost in the vicinity of an extra $573 million. Therefore, the second part of our solution is not just about fairness but also about responsibility. In order to deal with the issue of fiscal responsibility, we propose to fund this extra expenditure through a reduction in the start-up costs of handouts proposed by the Rudd government. That means that, where students are due to receive $2,254, to be paid in two instalments, the coalition proposes to reduce this to one payment of $1,000—except for recipients of the Veterans’ Children Education Scheme—which should save approximately $696 million over four years. We would make those savings and then the third part of the solution would be to introduce $120 million of new rural and regional scholarships.

These three things will provide a solution for people such as Kieran, protecting against retrospectivity for those who are currently working for the Youth Allowance, adjusting and reducing the new up-front payment and introducing a rural and regional scholarship. That is the way forward. *(Time expired)*

**Grandparents Raising Grandchildren**

Mr ZAPPIA (Makin) (7.55 pm)—I take this opportunity to bring to the attention of the House, and in particular the Minister for Families, Housing, Community Services and Indigenous Affairs, issues raised with me by grandparents caring for their grandchildren. This is a matter that the member for Braddon raised in this place on 10 March. I will repeat some of the statistics he quoted on the night. These statistics go back to 2003 and may be well and truly out of date, but they are the best we have. There are some 22,500 families around Australia in which the grandparents are caring for their grandchildren. This is a matter that the member for Braddon raised in this place on 10 March. I will repeat some of the statistics he quoted on the night. These statistics go back to 2003 and may be well and truly out of date, but they are the best we have. There are some 22,500 families around Australia in which the grandparents are caring for their grandchildren. That equates to about 31,000 grandchildren being looked after by their grandparents.

Considering that there are 2003 figures, and therefore six years old, and considering that there has been a disturbing increase in the number of children that are being cared for by grandparents, I would expect those figures to now be much, much higher. There would also be many examples where children are being cared for by their grandparents and that is not recorded at all. So it is a prevalent issue in the community. Only last week I had grandparents contact me on three separate occasions to talk about the difficulties that they face as a result of having the
responsibility of caring for their grandchildren.

I will summarise some of the matters that have been brought to my attention. Using figures that are available from Victoria, 52 per cent of grandparents caring for grandchildren are doing so because of a son’s or daughter’s substance abuse problem. If you consider that that statistic would probably apply across Australia, you start to understand some of the issues that arise not only from the caring but from the underlying reasons for the caring. The first issue is that, if the parents are victims of substance abuse of one kind or another, it is very likely that the children themselves have some serious health issues. Secondly, with the grandparents ultimately caring for these children, initially there was probably a custody dispute between the two parents. That in itself can be very traumatic for all parties concerned, including the grandparents and the children. Often, the dispute then flows over to the grandparents. So you have the two parents in dispute and then you have a further dispute between the parents and the grandparents who, at arm’s length, can see what is best for the grandchildren and who have tried to intervene and are then caught up in that dispute. So the grandchildren become the victims but the grandparents become the meat in the sandwich, and they need help.

They need help with the cost of looking after their grandchildren and they often need help with the cost of the legal battles that ensue. In one of the cases that were presented to me last week, something like $80,000 was lost by the grandparents in their efforts to do the right thing by their grandchildren. Again using some statistics that I have been able to source, 80 per cent of grandparents caring for grandchildren own their own home and therefore, if there is a legal dispute of some kind, they are not eligible for legal aid of any sort. They are inevitably referred to as asset rich and cash poor—cash poor because as grandparents they are more than likely simply living off the pension.

As carers they face enormous costs. If, however, they were given the same level of benefits as foster carers are given in states like New South Wales, Tasmania and Western Australia, it would make a significant difference to their ability to properly look after their grandchildren. So I bring to the House’s and the minister’s attention the need to raise this again at a COAG meeting and see if we can get some uniform laws across Australia, for the sake of the grandparents and, in particular, the grandchildren. Firstly, with respect to the support payments they get, the foster payment equivalent should be uniform throughout Australia. Secondly, where there are some legal battles to be fought, the legal aid system should take into account the needs of grandparents who are doing such a wonderful job in trying to pick up the pieces of broken families. The issue of broken families is one that I am sure concerns all members of this House and, if we can somehow address it, we would be making a huge step forward.

The SPEAKER—Order! It being 8 pm, the debate is interrupted.

House adjourned at 8.00 pm
NOTICES
The following notices were given:

Dr Kelly to 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: Construction of a new Australian Embassy Complex including Chancery, Head of Mission Residence, Staff Housing and Recreational Facilities in Jakarta, Indonesia.

Mr Albanese to move:
That the House supports:
the statement by the Member for Canning in relation to schools funding that “I support whatever funds, taxpayer funds that are borrowed on behalf of the taxpayers going to my electorate”; and


Mr Albanese to move:

That the House supports the Government borrowing to cover the $210 billion worth of revenue write downs caused by the global recession.
Wednesday, 17 June 2009

The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 9.34 am.

CONSTITUENCY STATEMENTS

Calare Electorate: Budget

Mr JOHN COBB (Calare) (9.33 am)—Young people in my electorate of Calare are devastated, absolutely shattered, after finding out about government budget plans to make the independent youth allowance virtually inaccessible to them. This is another kick in the guts for regional Australia because, as one woman told me:

Please tell Mr Rudd that universities are not found on every street corner … some of us live over the mountains on the other side.

Labor has targeted one of our most vulnerable groups, young people, at a time when we know jobs are in short supply. It is ridiculous to expect young people in small regional areas to be able to find 30 hours of work a week over 18 months, which is the new criterion for the independent youth allowance. As one year-12 student said:

I live in Trangie and so job prospects are very limited. This is of a great concern to me as to what I will do in the future.

Another devastated young person told me:

I feel that the government has overlooked us, especially as rural students with such difficult requirements to achieve youth allowance with these new laws combined with the overwhelming shortage of jobs in rural areas. It will now be impossible for many students to earn youth allowance and get uni. How is this fair?

I held a public forum on this issue last week and the turnout was overwhelming. Young people in a gap year, who will be most affected by these cruel changes, came along, as well as year-12 students and worried parents. One of them said:

The changes to Youth Allowance don’t make the change to an independent university life more difficult; they make it impossible.

Another young person said:

During the HSC, I am now feeling that there needs to be no effort, as I won’t be able to attend my preferred university. It favours upper class families. Education revolution has become derevolution.

Another said:

Being from the Central West, it stops me wanting to be an engineer as I can’t do that here. I need UNSW Sydney. I need Youth Allowance!

A teacher and parent said:

Long-term students in regional NSW are severely disadvantaged in their access to higher education opportunities by changes in the Youth Allowance. An estimated cost for sending a student is $20,000 to live away from home. The lack of a Youth Allowance means rural families will not be able to support children or multiple children at school. In particular those currently on Gap years have now had the rug pulled from under them.

When students from three Orange high schools heard about my forum, not only did they come in good numbers but they rallied to get a petition of 1,600-odd signatures in the space of 24 hours. One said:
I would like to see the government justify this idea as the changes are making it a lot harder to further our studies. A lot have made plans that are now jeopardised and it’s unfair.

Another said:

I think that if the government is trying to encourage support in tertiary education for rural students, as stated in the Bradley Report, this is a total backward step. No one wants to hire people for only a year and a half of casual work. Where are the jobs?

Parents just cannot believe the situation. These changes can be seen as an attack on rural Australia, the only sector of the economy keeping Australia out of technical recession. (Time expired)

Mr Gilad Shalit

Mr DREYFUS (Isaacs) (9.36 am)—I again rise in this House to mark another anniversary of the kidnapping of Gilad Shalit, an Israeli soldier. Two years ago I spoke from the steps of the Melbourne GPO to a rally of 300 people called to mark the first anniversary. Last year I spoke in this House calling for his release on the second anniversary of his kidnapping. Next Thursday, 26 June 2009, will mark the third anniversary.

Gilad Shalit was 19 when he was taken by Hamas’s military wing, Izz al-Din al-Qassam, in an illegal cross-border raid. Two of his fellow defence force members were killed in the raid. Shalit is now 22. By now, he should have completed his army service and commenced his tertiary studies. Instead, he has been held for three years with no contact with the outside world. His family are waiting. They have no information on the conditions of his captivity or the state of his health. The International Committee of the Red Cross has been continuously denied access to Shalit. His father, Noam Shalit, was recently asked how his family cope. His response was: ‘We don’t. You cannot get used to this situation. It’s a continuous nightmare.’

In contravention of international law, Hamas continue to use Shalit as a hostage and as a bargaining chip. They have sought to secure the release of 450 terrorists being held in Israeli prisons. Among those that Israel refused to release were Hassan Salama, the former head of Hamas’s Jerusalem branch who is serving 49 life sentences for two suicide bombings in 1996. They include Abdullah Barghouti, the senior Hamas bomb maker currently serving 67 life sentences. He was convicted in 2003 for planning terror attacks in which 66 civilians were murdered.

We should not be surprised by this behaviour. Hamas is not a regime given legitimacy by an election. This is a regime that murdered its political opponents in a brutal coup. This is a regime that murders trade unionists and other independent activists. Let us be very clear. The kidnapping of Gilad Shalit was a crime against the laws of war. His continued detention is a breach of international law.

Elena Bonner, the widow of Nobel Peace Prize recipient and activist Andrei Sakharov and a forceful and tireless human rights advocate in her own right, gave a recent speech to the Freedom Forum in Oslo in which she directed her questions to her fellow human rights advocates:

Why doesn’t the fate of Israeli soldier Gilad Shalit trouble you in the same way as the fate of the Guantanamo prisoners?
But during the two years Shalit has been held by terrorists, the world human rights community has done nothing for his release. Why? He is a wounded soldier, and fully falls under the protection of the Geneva Conventions. The Conventions say clearly that hostage taking is prohibited, that representatives of the Red Cross must be allowed to see prisoners of war, especially wounded prisoners.

I hope that in 12 months I will not be rising again to call for the release of Gilad Shalit.

Solar Energy

Mr SIMPKINS (Cowan) (9.39 am)—Today I would like to take the opportunity to speak on the solar rebate. Clearly there is concern about this element of the suite of renewable energies that we all want to see progressed. The solar rebate has a history in Australia. The former coalition government had a strong record of demonstrable action regarding solar, as evidenced by the establishment of the solar rebate. Indeed the Rudd Labor government campaigned on solar rebates but then means tested that support to Australian families—one thing said before the election and another afterwards.

With this point I set the scene of a history of unreliability from the minister concerned. I will not talk about everything he has said he would do and then has not done; rather, I will just concentrate on the solar rebate matter. Not only have the 2008 and 2009 budgets twice disappointed the solar panel industry and those Australian families who wanted to participate; after the recent budget, the industry and potential participants were told that different arrangements would apply from 1 July 2009. As disappointing as the reduced support arrangements were, the government promised a smooth transition. Yet, in recent days, the Minister for the Environment, Heritage and the Arts and the government killed off the rebate immediately, some 2½ weeks early.

The question is: how did the government lose control of the budget so quickly? The government certainly will not admit this stuff-up but, as with all these decisions, these unexpected changes will have a human impact. I have been contacted by constituents to express their views. Vicki Bligh, of Alexander Heights, called my office last Friday to express her ‘deep disgust and disappointment’ with the government’s early closure of the rebate. I note her advocacy for solar power and renewable energy in the northern suburbs over many years. I understand that she was highly supportive of the rebates when the former coalition government introduced them in 2007. I also note that Mr Roland Bradford called, extremely angry about the government having broken a commitment it had made to the Australian people. Mr Bradford said that the government’s decision would affect his mortgage payments. John and Wendy Faulkner said:

We were recently proceeding with an application for the Solar Power Rebate Scheme. We have already paid the deposit of $2900.00 and were gathering the paperwork to be sent in the next 2 days, in order to meet the June 30 deadline, only to be told this morning—

this was several days ago—

at 11 am that we had until 2 pm today Tuesday 9/6/09 to get the paperwork (originals) to Melbourne as it had been stopped short of the promised end date. As we are in Perth we had no way of completing this task and therefore have missed out!

I would appreciate it if our dissatisfaction and concerns regarding this could be put to the Prime Minister as we really now feel quite let-down and we were trying to do our bit for our environment, our children and of course our pockets in these tough economic times.

This should be— (Time expired)
Television Reception

Mr CHAMPION (Wakefield) (9.42 am)—I rise today to discuss TV reception, an issue of great importance to my constituents in the northern suburbs of Adelaide. Particularly in the suburbs of Craigmore and Blakeview this has been a very big issue for a very long time. I was always dimly aware of the issue, but it was only really when I started doorknocking in Craigmore that I realised what a great imposition it is on many of my constituents. The TV reception in this area is quite sporadic, and depends on where you are unlucky enough to live. Literally, you can go from one end of a street to the other and they can have completely different TV reception. That is really not acceptable in a metropolitan area of Adelaide. This is the 21st century and people expect to be able to get all the free-to-air television stations in the metropolitan area.

Unfortunately, because of Adelaide’s unique geographical design, areas along the Para escarpment, which stretches from Ingle Farm in the electorate of Makin to Craigmore and Blakeview in my electorate, have had very poor TV reception over the last decade or so. I think it is a bit of an indictment both of television stations and of previous governments that this problem has been allowed to continue. It really is not acceptable that people cannot see the Ashes or Wimbledon or that they cannot get Channel 7 or Channel 9. Sometimes they cannot get Channel 10, although that has better reception. They cannot get access to local news and their children often cannot get particular programs. Often they spend extraordinary amounts of money—I have met people who have spent $2,000 on boosters, aerials and the like—just to be able to get a service that the rest of us take for granted.

The previous member for Bonython, Martyn Evans, did manage to get better reception for ABC and SBS, and I look forward to getting better reception for 7, 9 and the other commercial stations. Broadcasting Australia has been conducting tests under a program funded by the previous budget, and we are hopeful that this budget has provided enough money to provide a solution. We are awaiting reports on the test transmissions and the field surveys. I would really like to see everybody come to the party—the local community, the broadcasters and the government—to provide a solution. This is so important to this suburb, to real estate prices and to the general amenity of Craigmore, which is a growing suburb of 14,000 people. They really deserve to get decent TV reception.

Parkes Electorate: Mining

Mr COULTON (Parkes) (9.45 am)—I rise this morning to speak about alarming reports I have received over the last couple of days regarding the Chinese government owned Shenhua mining corporation purchasing large blocks of the land in the Watermark exploration lease on and adjacent to the Liverpool Plains in my electorate. The Shenhua mining corporation is China’s largest coalminer and it has recently received a mining exploration licence for 190 square kilometres in my electorate. That is approximately 50,000 acres, and Shenhua has stated that it intends to purchase that entire area. I also understand that in the last couple of weeks the corporation has purchased four or five properties for large amounts of money, with settlement subject to agreement from the Foreign Investment Review Board. While I do not wish ill of the people who have sold their properties for quite substantial profit, I do think as a community and as a nation we need to decide whether we want a 50,000-acre Chinese government owned mine in the middle of some of the most productive agricultural land in Australia.
What also concerns me is that this corporation is used to mining in other parts of the world. Are they going to be brought to heel by the New South Wales government, which received $300 million for this exploration licence? Are they going to be subject to the same planning and environmental considerations as other coalminers?

Mr Mellham interjecting—

Mr COULTON—In the Gunnedah area there are other coalmines that are working quite environmentally sensitively. I have recently been to the Narrabri coalmine, and they are very well aware of the sensitivities of the environment and of the local community. While we do have a free market operating, as the member opposite says, I still think as a community we need to decide whether we want a 50,000-acre coalmine in the middle of the north-west of New South Wales.

Braddon Electorate: Queen's Birthday Honours List

Mr SIDEBOTTOM (Braddon) (9.48 am)—Today I would like to highlight the contributions of four notable people from my region of north-west Tasmania who were all recognised recently as part of the Queen’s Birthday Honours List. I would like to begin with Smithton’s Gerald Kay, known more affectionately locally as ‘Barrel’. Mr Kay has been tireless as a fundraiser in what he describes as the best community in Australia. The locally born and bred pharmacist has led two major fundraising drives in the past 20 years. The first raised a massive amount to build a new aged-care home in the town. The second was another big effort to build a new community recreation centre. I note that he managed to get $820,000 out of this government for the second stage of the project—well done!

Another remarkable achievement is that of Devonport man Walter van Praag, who, despite being born with cystic fibrosis, has stunned the medical community and, indeed, many who know him. In 2007, Mr van Praag cycled from Paris to Istanbul, a mere 4,395 kilometres, with the aim of raising awareness of the disease and inspiring newly diagnosed patients to live their lives to the fullest. He is now planning to cross the polar ice cap in Greenland on skis and will do it with an Order of Australia on his back.

Devonport’s Deputy Mayor, Maurice Hill, is a tireless worker for the community and was recognised for his extensive service through Rotary and local government. Maurice says he is a very lucky man to live in my neck of the woods after seeing, through Rotary projects overseas, the way others live. Maurice is a genuine leader, is a past Rotary district governor and is very well respected across the community. Unfortunately, he is experiencing bad health at the moment and I, along with our community, wish him well in his battle.

The fourth person from my region to be recognised in the honours is Ulverstone’s Ken Monson, who at the age of 73 is not winding back on his service. Ken has spent countless hours working in the community, particularly to help young people. He has been a vital cog in groups such as the Ulverstone Scouts and the Ulverstone Rowing Club as well as being on the Tasmanian Rowing Council. Ken has also worked for the Ulverstone museum, Rotary, the former Ulverstone Tourist and Progress Association and other sporting clubs. Despite a recent hiccup with his health, Ken says he is back at it and will continue to give 100 per cent. I am very happy to recognise, as our community did, these four outstanding contributors to our community and I wish them well into the future.
Lyne Electorate: Domestic Violence

Mr OAKESHOTT (Lyne) (9.51 am)—I rise to talk about lies, lies and damn statistics about domestic violence in this place and to give a large pat on the back for some very good work being done on the mid-North Coast of New South Wales, where the reporting statistics on domestic violence in the past 12 months have increased. The increase in statistics is being seen generally as a good thing, indicating the amount of work being done on the ground by many different organisations, including the local police, and some combined work being done by organisations, including the women’s and children’s refuge, health authorities, Centrelink and the many other core advocacy services. The reason the increase in statistics is seen as a good thing is that increased reporting does indicate an increased level of comfort in accessing government services and support services. It also means that government and public authorities can work well with the full, holistic range of people involved in the very problematic and complicated issue of domestic violence. That includes not only victims but the families of victims. It also involves working with perpetrators to try to put in place preventative measures into the future. So these people deserve a huge pat on the back for the good local work that is being done. Domestic violence was raised in my first speech in this place as a critical issue for the mid-North Coast.

I also give a pat on the back to the government, and in particular to the member for Fraser, Bob McMullan, who only last month made a speech which has not been picked up in the media anywhere but which makes reference to one of Australia’s greatest policy failings, and that is the issue of gender equality, and domestic violence in particular. I would love a debate to happen in Australia on the back of that. It seems to be an undiscussed issue and therefore an even more problematic issue than it should be.

We in the Asia-Pacific region generally do have some confronting statistics about domestic violence and gender related issues. We are starting to be the standout in the world on these issues. I would hope that it is not seen by members of parliament as a soft issue, a women’s issue, a non-economic issue; this should be a priority discussion for all of us. We do have some good programs on the ground on the mid-North Coast that are practical and that are now starting to be rolled out state-wide. I would love them to be rolled out nationwide. If we can get some engagement at a political and parliamentary level, who knows—we might even start to lead the way in the Asia-Pacific as well. So congratulations to all involved on the mid-North Coast. Hopefully, the words from government can turn into actions sometime in the near future. (Time expired)

Australian Youth Forum

Mr MELHAM (Banks) (9.54 am)—Last Wednesday, 10 June, I was fortunate to attend the Australian Youth Forum at the Bankstown town hall for young people aged between 15 and 24 in the Bankstown local government area. The Minister for Youth, Kate Ellis, also was present at the three-hour forum. The Australian Youth Forum is run by the Australian government as a communication channel between the government, young people aged 15 to 24 and the organisations that work with, for and on behalf of young people. It is about engaging young people and the youth sector in ongoing public debate, getting their input into policy and decision-making processes on issues that affect young people’s lives now and in future.

It was a very productive forum and the young people who involved themselves in the forum were extremely impressive. I have to say that, having been in this place for over 19 years,
I am a bit cynical these days. There is no politician on either side of politics at a national level that inspires me the way that Gough Whitlam inspired me to join a political party and to get involved in politics, or the way that Paul Keating inspired me when he was Prime Minister and championed the Native Title Act in 1993 against a lot of opposition, both within his party and in the community. I think the politician that most inspires me at the moment is Barack Obama in the United States. But the inspiration I get is actually from young people. The day itself was an inspiration, to hear their vision, to hear their enthusiasm, to see them not compromised by certain matters but putting forward in a very visionary way and an energetic way their hopes for the future and their ideas for our Commonwealth. That inspired me, because I knew the future was safe, as it was in their hands.

I believe it is incumbent on both sides of politics to facilitate the involvement of such young people and to try to bring them into the system, to encourage them to go into public life and to devote themselves to public service, not just private service. That is what came out of it. I actually walked away feeling as if I had had a blood transfusion. I was actually infused, and I became optimistic again. That is something that happens to me most of the times that I visit my local schools, listening to young children. Cynicism does creep in, and I think it is incumbent on us to try to extract that cynicism from the process. It is certainly there—it is there in the media—but in young people it is not there originally. We need to harness their energy and enthusiasm. I commend those involved in the forum and I commend the Australian Youth Forum and the minister, Kate Ellis. (Time expired)

Brittany Fairy Ball

Ms MARINO (Forrest) (9.57 am)—I rise to acknowledge the efforts of Tim and Debbie Headley and the Brittany Fairy Ball committee. Recently in my home town of Harvey, 450 people attended the Brittany Fairy Ball to raise money for the Starlight Foundation. As we all know, the Starlight Foundation raises funds to deliver wishes to seriously ill children through the Make-A-Wish Foundation.

Tim and Debbie’s bright, happy eight-year-old daughter, Brittany, was diagnosed with leukaemia. She spent nine months at Princess Margaret Hospital in Perth with her mother, Debbie, at her side. When Brittany lost her appetite and lost weight, to get her to eat more the staff encouraged her to make cookies in the hope that she would eat them. Brittany was one step ahead, though—she sold the cookies to staff members to raise money for the Starlight Foundation to grant wishes for other sick children like her. Brittany just loved fairies, so she gave Captain Starlight $5.20 from her cookie sales to buy a fairy from the local markets. Her father, Tim, made a donation box and stand, which was placed in the Starlight Room at the hospital. The money raised much-needed funds for Starlight. Brittany was granted her own wish but was too ill to take it. She did, however, run out on the ground with Collingwood at Subiaco Oval.

Following Brittany’s death, her parents decided they wanted to continue with their daughter’s idea of fundraising to deliver wishes to seriously ill children. With a veritable army of family, friends, local volunteers, businesses and donations, the Brittany Fairy Ball concept was born. The double basketball courts at the Harvey recreation centre transformed into a fairy wonderland, taking at least three days to decorate. There is a major auction, and laughter, dancing and a great night out are guaranteed. The Brittany Fairy donation box has pride of place for a gold coin donation near the legendary chocolate fountain. The first ball raised

MAIN COMMITTEE
$36,000, the second one raised $40,000, and this last ball was expected to do the same. I congratulate Tim, Debbie and all the volunteers in Harvey and the wider community. This ball is no doubt a beautiful tribute to a brave, generous little girl who, in her short life, was a loving blessing to her family. I am very pleased that RadioWest in the south-west of my state is running a program, Give Me Five for Kids, that supports south-west families who have to spend time in Perth at Princess Margaret Hospital with their seriously ill children.

Liverpool Migrant Resource Centre

Mr HAYES (Werriwa) (10.00 am)—Today I rise to indicate that last week I attended, on behalf of the Minister for Immigration and Citizenship, the annual general meeting of the Liverpool Migrant Resource Centre. The Australian government is committed to providing resources to ensure that all new migrants who arrive under humanitarian and family migration programs have access to the information and tools necessary to assist them in settling in this country. The Liverpool Migrant Resource Centre is one of the main settlement service providers in Sydney. It provides assistance to newly arrived migrants and, as such, it plays a vital role in implementing the objectives of settlement services. The Liverpool Migrant Resource Centre currently receives additional funding for three projects under the Settlement Grants Program funding round. It also has six projects continuing from previous years. The funding for these six grants is about $1.5 million. Several of these projects focus predominantly on humanitarian entrants, particularly those from Iraq, and provide assistance to develop these community groups and help members integrate into the wider community. Under the current settlement grants program funding round, Liverpool Migrant Resource Centre has been funded for three projects, for more than $1 million. Again, these projects focus on integration services to eligible humanitarian and family stream clients.

According to the Department of Immigration and Citizenship’s settlement database, the Liverpool LGA currently receives a high number of new immigrants. The settlement database shows arrival numbers as 3,375 family stream migrants and 2,376 humanitarian entrants settled in Liverpool in the last five years up to May 2009. Most humanitarian entrants settling in the region have come from Iraq, Sudan, the former Yugoslavia, Afghanistan, the Arab Republic of Egypt, Jordan, Sierra Leone, Sri Lanka and Syria. I offer my congratulations to the committee of the Liverpool Migrant Resource Centre, headed by Chair Amad Mtashar, with Deputy Chair Vincent Ogu, Secretary Blanca Arely, Treasurer Haider Abdulla and Coordinator Kamalle Dabboussy, who does a fabulous job throughout our region. I would also like to acknowledge the hard, dedicated work undertaken by the staff of the Liverpool Migrant Resource Centre. They are certainly of very culturally and linguistically different backgrounds. I understand they speak more than 20 languages. They play an essential role in helping to integrate newcomers into our community.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! In accordance with standing order 193 the time for constituency statements has concluded.
Consideration resumed from 16 June.

Environment, Water, Heritage and the Arts Portfolio

Proposed expenditure, $4,884,794,000

Mr BILLSON (Dunkley) (10.03 am)—It is a pleasure to talk about the Environment portfolio and to see the Minister for the Environment, Heritage and the Arts here. I did fear that maybe he was not the person we should be speaking with, as he has been doing cover versions of the answers that the Minister for Climate Change and Water, Senator Wong, has been giving him for years. I understand how difficult that must be, as his passion for this area has been proven over the years, only constrained by the lack of commitment by the Rudd government. I did say, and maybe it was unkind, that he is the Milli Vanilli of the environment ministry, as he is mouthing words that are not his own. But we will have a go anyway. We will see if we get some answers. The questions cover a broad range of portfolios but they do go to the issue of a lack of connectedness in the environmental activities of this government. You see bits of activities and, in fact, there are more announcements than you could possibly imagine—and probably much of that budget that we have just talked about was spent on repackaging and reannouncing things.

I was flabbergasted to see in this budget the cancellation of programs that were announced in the last budget but never actually started. They were superseded before they even commenced. That is a gift; you cannot coach that kind of political spin. The Rudd government gets away with continually talking about issues related to and touching upon matters of the environment yet does so little to actually bring about change and implement action.

Many of my questions go to what is actually going on. They start with an interesting example of where the actions seem to be too significant for the Rudd government to cope with. The government were trying to encourage people to embrace photovoltaic and solar technologies, and the Australian public actually welcomed that encouragement, but what did the Rudd government do? They shut the program down early. I thought the whole idea was to encourage that investment with some incentive.

One of the questions I would like the minister to respond to is about the Solar Homes and Communities Plan. I particularly refer to Budget Paper No. 2, page 206, which stated that the funding for the program would continue ‘until the program transitions to solar credits under the expanded renewable energy target on 1 July 2009’. We are not quite there yet. The people who are ringing my office and offices right across Australia are wondering how something written in black and white in a budget paper could have such a short use-by date. That would be an interesting question and I would like to know what the answer is. Is the transition to the new program designed to be less attractive than the old program? Was the overattractiveness of the old program the justification for it being cut in the first place? It is quite a bizarre strategy that you are seeing here.

Also, there is the government’s plan to provide a $1,600 rebate for solar hot water systems. There is the plan by the Queensland government to offer 20,000 solar hot water and heat pump systems for $100 to low-income earners and pensioners and $500 to others. Is the Queensland government’s program reliant on the federal government rebate? We have re-
ceived information that the federal government has not confirmed that it will fund the Queens-
land government program. Who is paying for this commitment?

There are concerns about the Solar Schools Program. How many schools have had their so-
lar panels installed? What is the actual number? This program was announced nearly two
years ago. Another favourite of mine is the Green Loans Program. It should be called the
‘stealth loans program’. Never has something been talked about so much with so little activ-
ity. We were supposed to have had it going last year. It was announced in May 2008. The
green loans were to be available early in 2009. Has anything actually happened? We were
being told as recently as earlier this year that those programs would be available in the middle
of this year. What is the truth about this issue?

I move on to other areas. There is the energy efficiency program. Never has a COAG decla-
ration substituted for action so much as in the built environment. Who is responsible for the
built environment? Does the minister have any influence over a smattering of programs that
seem to pop up all across the Commonwealth, with no coordination, when the challenges
about the efficiency and performance of our built environment, particularly our cities, are so
embraced by interconnecting these bits of activity? Instead, we have a scattergun effect of bits
and pieces going on all over the place—the industry portfolio is having a go, there are some
remnants from the Howard government about water-resilient cities, transport is having a crack
about urban congestion that is going the wrong way, and the built environment is saying,
‘Give us some incentives like the announcement of the Turnbull opposition’s green credit
scheme.’ What is going on? What is clear is Senator Kim Carr’s assessment that if you do not
have someone specifically responsible for cities and the urban environment you are not for
real. The opposition does have such a person—a shadow minister for sustainable development
in cities. The Rudd government has not. So on Kim Carr’s assessment the Rudd government
is failing. We have more announcement than action. We would like some answers to those
questions. (Time expired)

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts)
(10.08 am)—I am very pleased to advise the member what is actually going on in terms of the
budget. I present to the House of Representatives the 2009-10 Environment, Water, Heritage
and Arts appropriations in Appropriation Bill (No. 1) 2009-2010. I say very clearly that the
2009 federal budget delivers an unprecedented level of environmental support while at the
same time nurturing our nation’s vital arts and culture. This is a budget that supports a sus-
tainable Australia—sustainability for our environment and sustainability for our economy for
generations to come. I want to focus on the measures that the government is delivering against
the major themes: energy efficiency, water, the environment, arts and cultural heritage.

On energy efficiency, the government is assisting households, businesses and communities
to lower their energy use, save money and prepare for a low-carbon future through a strategy
that will be put in place to deliver a new suite of measures, substantially improving minimum
standards for energy efficiency and accelerating the introduction of energy efficient products
and technologies, and the government will back the strategy with $64.6 million for key ac-
tions. A $100 million National Energy Efficiency Initiative will be the next step in developing
innovative, smart grid energy networks, enabling greater energy efficiency and better integra-
tion of renewable energy sources. I am pleased to note the government’s $150 million com-
mitment to the Solar Homes and Communities Plan, providing a total of 15,000 solar panel
rebates over five years, was exceeded by some fourfold to support more than 80,000 installa-
tions of solar panels through funding of more than $700 million under that plan, including
$245.3 million through this budget. Following the passage of the RET legislation and the
making of regulations, solar credits will be available as an upfront capital cost subsidy to all
households irrespective of income, businesses and community groups to significantly expand
the market for solar panels.

I also want to refer to the Energy Efficient Homes package, delivering insulation at little or
no cost to up to 2.9 million homes across Australia to improve their energy efficiency and
comfort.

Mr Billson interjecting—

Mr GARRETT—The member asked me about green loans. There is a reshaped Green
Loans Program providing for 75,000 green loans to be serviced by participating financial in-
stitutions providing advice through up to 360,000 environmental assessments. That is a sig-
nificant commitment to provide the opportunity for Australians to better understand and focus
on the actions that they can take to reduce their greenhouse gas emissions. It will provide a
critical role in driving behaviour change and, integrated with the Energy Efficient Homes
package, will maximise energy savings and cost savings for households.

The security of our nation’s long-term water resources is a high priority for the govern-
ment. We are tackling it head on by providing historic funding of $12.9 billion for Water for
the Future, strengthening the Basin Communities Program with an investment of some $200
million in grants to basin communities and a $107 million commitment under the Small Block
Irrigators Exit Grant Package, as well as investing $300 million in the southern Murray-
Darling Basin to deliver more efficient irrigation systems through on-farm irrigation effi-
ciency programs. We have also committed a further $228 million to the Adelaide desalination
plant and $10 million for bioremediation and vegetation trials on the Lower Lakes. We are
driving reform in the basin in a way that was never the case with the previous government,
which sat on its hands for a good 12 years and did absolutely nothing. The major reforms that
have been driven through the Murray-Darling Basin here are a specific consequence of the
Rudd government taking this issue seriously and providing the necessary investment and pub-
lic policy substance in order to do that. As I go on I would like to mention the $500 million
brought forward to restore balance in the basin to accelerate the buyback of water entitle-
ments.

I turn to the environment. In this budget, Commonwealth parks and reserves benefit from
an additional $33.6 million, protecting biodiversity and supporting jobs for Indigenous Aus-
tralians. An additional $36.9 million has been provided over the next two years to ensure that
Australia maintains a strong presence in Antarctica, further cementing our leadership in Ant-
arctic science and research. Another $94.7 million has been provided over seven years for the
crucial role of the Bureau of Meteorology. These are all significant, substantial commitments
in this budget to ensure that our environment is well protected and that we continue to give
people the opportunity to lower greenhouse gas emissions.

Mr WINDSOR (New England) (10.14 am)—I would like to raise with the Minister for the
Environment, Heritage and the Arts a couple of issues which particularly relate to the budget
allocations for the Murray-Darling system. The minister would be aware that only last week
the Murray-Darling Basin Authority board was announced. The board will have to embark on

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putting a Murray-Darling Basin plan together. The minister should be very well aware of the mandatory content arrangements in the Water Act 2007, and I presume that the board would have to follow fairly closely the mandatory content arrangements outlined in the act.

Part of that process, Minister, as you would be aware, is a water resource plan. You once said in another place that the act allows for the minister or the authority to instigate scientific inquiries in relation to certain activities which may either divert water within the Murray-Darling system or impinge upon some of the interconnectivity issues between groundwater and surface water. There is a lack of scientific knowledge of our groundwater systems and connectivity issues with groundwater to river systems, which has been demonstrated in this budget with a $6 million allocation to study groundwater ecology. This demonstrates quite clearly that we do not have a proper scientific understanding of these systems, how they relate to the river systems and how we can construct a basin plan with various caps on the various catchments. My questions to you, Minister, are whether you are concerned about that lack of knowledge and where you would use the Commonwealth powers to instigate scientific inquiries or to prevent certain activities from occurring, such as mining on the Liverpool Plains, until we do have full scientific knowledge of the impact of these activities on those groundwater systems; otherwise, these activities might potentially undermine, through off-site impacts, the integrity of any basin plan that is put together. Minister, are the mandatory content arrangements outlined in the 2007 act and endorsed in the 2009 act going to be followed through at the Commonwealth level or will the Commonwealth, even though it has embarked on what I agree is a great coming together of the four states and the Commonwealth, refer these activities conveniently back to the state governments, as has happened in the past?

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (10.17 am)—I thank the honourable member for his questions and I acknowledge that he has a deep interest in, and knowledge of, these issues. On the question of the identified need for a basin plan: by virtue of the reforms that we have undertaken up to now, we are committed to that plan, to all of those elements that have been identified and to those elements that have been considered up to now by the commission. I refer to one particular aspect of the honourable member’s question—the Windsor Liverpool Plains study. I think the member will be aware that the Minister for Climate Change and Water, Senator Wong, has agreed with New South Wales to pay one-third of the cost of a study to look at the impacts of mining on groundwater. I know the point has previously been made in the House to the member that it is primarily a state land use planning matter. In respect of my own responsibilities, I am not aware that there are any matters of national environmental significance that attach to it, but I think it is a sign of a commitment to ensure that we do have better knowledge about groundwater impacts occurring as a consequence of those activities that you have raised in the past.

Can I make the additional point that it is on the back of a lack of action or significant political will to address this issue, prior to Labor coming to office, that we now have a significant plan in place. We now have a substantial plan in place. We have the new Murray-Darling Basin Authority and it is developing a basin plan and sustainable caps on water use. You may have noticed, today, the appointment of the reference panels by Minister Wong on water use purchasing programs. They are reference panels which are representative of the interested communities and of the stakeholders. This is consistent with the government’s position of
wanting to make sure that everybody who has a significant, legitimate and real interest in the way this reform process runs its way through the basin has an opportunity to participate.

I will address a couple of additional commitments while I am on my feet. The government committed $3.9 billion towards water efficiency programs, investments and the like. That has included a number of specific commitments: the Wimmera-Mallee pipeline, commitments to invest in improved water efficiencies in the Menindee Lakes and some $300 million in improved on-farm water use efficiencies in the southern connected basin, the Lachlan Valley and the like. The important thing to note here is that these are regional commitments. They will enable those regional communities to have confidence that the focus that the government is giving, in boosting economic and employment opportunities across the basin, is real.

We have also committed money to the purchase of water at Toorale, and we are delivering more than 8,000 million litres of water to benefit the environment this particular year. This was a decision by the government that was roundly criticised by the coalition, which has a ‘hitherto’ view on water policy. Some of those who are up the system think that certain matters should be addressed and some of those who are down the system completely disagree. But the point is that flows here will benefit a number of important areas of river red gum forest. Hattah Lakes in north-western Victoria, Lindsay Island on the Victorian and South Australian border, Backwater Lagoon near Wentworth, Markaranka Floodplain near Waikerie, Gum Flat on the Chowilla Floodplain near Renmark and Overland Corner Floodplain near Kingston-on-Murray are all important areas of river red gum forest which will benefit from this significant contribution by the government, which was criticised quite robustly, as I recall, by the coalition.

Additionally, I refer to the recent announcement by the government to purchase almost 240 gigalitres of water entitlements for just over $300 million from the Twynam Agricultural Group. This is the single largest purchase of water for the environment in Australia’s history. This is a commitment of significance from this government, which is taking seriously the task that it has to make up for the lack of action and the lack of commitment on the part of the coalition in the past. Some of the places that will benefit from that purchase are the internationally significant Ramsar listed wetlands of the Macquarie Marshes, the Gwydir wetlands and the Fivebough and Tuckerbill Swamps near Leeton. Other environmental assets to benefit as well include the Booligal Wetlands in the Lachlan River, the Menindee Lakes in the Darling and the Lowbidgee wetlands near Balranald.

Mr Windsor—What about groundwater?
Opposition members interjecting—

Mr GARRETT—For members opposite, the point is that while you make these criticisms we are getting on with the job of producing positive and significant environmental benefits, something which you completely ignored for the entire period you were in government.

Mr CIOBO (Moncrieff) (10.22 am)—My question is to the minister. It covers a number of areas but is particularly with respect to the Arts portfolio. The most important question that I would like the minister to answer today is with respect to the future of the Australian National Academy of Music: whether or not ANAM will continue, given the 12-month moratorium that was put in place by the minister; how its funding is expected to continue; the minister’s view as to the model; whether or not it will in fact be auspiced under the University of Mel-
bourne; where we stand with respect to those students that are participating in ANAM’s program; and whether or not those students will be required to undertake a tertiary degree component as part of their studies.

It is very clear from the students that I have spoken with, and from representations both by the board and from outside ANAM, that the vast bulk of students are of the view that they would not necessarily like to undertake traditional bachelors or masters tertiary studies. So an update from the minister—not only for me but for those that have been left in limbo for so very long as a result of the complete inertia by the Rudd Labor government—about our elite training institution of ANAM would be most welcome. Particularly, I ask the minister about any conversations that he had specifically with respect to ANAM with the Prime Minister or any of the Prime Minister’s staff in the PMO about what should happen with ANAM prior to the minister writing to the board of ANAM. To be very particular about that, my question to the minister is: did he have any conversations with the Prime Minister or any of the Prime Minister’s staff specifically with respect to the future of ANAM prior to releasing the letter to the board about putting ANAM and the funding of ANAM on hold and moving it across to the University of Melbourne?

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (10.25 am)—I welcome the question from the shadow minister for the arts on ANAM and on our arts policy generally. I am happy to provide additional information for him. The government has provided the appropriate level of support for the provision of elite music training to take place at ANAM, and for that to be done in a way which is consistent with the goals the government identified for the long term for this training institution. That is to broaden its training remit and for it to have not only a specific training focus which is on specialised instrument learning but more generally on areas such as concert management, conducting and the like. I have had the opportunity to visit ANAM and I met with the senior staff and the students. I am very happy to report to the shadow minister in this consideration in detail debate that they are very satisfied with the arrangements that the government has put in place and there is a high degree of confidence that those students will have every opportunity to pursue the elite classical training courses that they have identified and want to undertake. On the question of this government’s commitment to the arts, we have actually brought forward in this budget—

Mr Ciobo interjecting—

Mr GARRETT—Can I point out to the shadow minister, as he interjects wildly, that we have actually provided an additional investment of some $62.3 million to the arts on this matter, including—

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The member for Moncrieff. The minister has the call.

Mr GARRETT—I do have the call—some $9.6 million to the Artstart program and $5.4 million support for arts training organisations to support our nation’s brightest young artists, artists such as those who are at ANAM. Additionally, the government are going to provide support for territory orchestras and many small to medium-sized arts organisations. These organisations are absolutely critical stepping stones for the careers of many emerging artists and performers. We are delivering $9.9 million to strengthen Australia’s Indigenous visual arts sector. I look forward to the opposition taking a constructive role when the resale royalty leg-
islation is introduced into the parliament. It is my strong view that the resale royalty legislation provides the opportunity for Indigenous visual artists to take some benefit from their work, particularly over the medium to longer term and in the case of succession.

I am very pleased to say that the budget also brings renewed funding of some $8 million for the Books Alive program. This is the biggest annual promotion of books and reading that takes place in Australia. This is a commitment to enable Australians to continue that great exercise of enjoying local Australian authors, authors who operate in the fiction and non-fiction market and also authors who write for a younger audience. I think everybody here in the parliament would agree that encouraging young Australians to take a keen interest in literature, to read, to develop the enthusiasms and the passions for the writing heritage that we have and to discover new writers is absolutely critical and urgent. The government’s commitment there is a real one.

On the question of the opposition’s attitude in relation to arts generally, I had the opportunity to speak at a CEDA event in Queensland, the home state of the shadow minister, not that long ago. I made the point that, whenever you hear the opposition raise an issue about arts and culture, it is with a view to trying to wedge the community, trying to play short-term political games with what is one of the most important national interest foundations of our community, which is a healthy and strongly supported arts and culture sector. This government is entirely focused on providing the necessary level of support. It gives me the opportunity in my closing remarks to point out that, when we went to the last election, the opposition did not have an arts policy at all. For artists, for arts organisations, for cultural organisations around Australia witnessing this complete lack of interest and total lack of commitment on the part of the coalition to bring in genuine policy proposals for the Australian arts community, enough is said. This government is strongly and fully committed to a healthy arts sector. This country will continue that commitment. (Time expired)

Ms LEY (Farrer) (10.29 am)—I refer the Minister for the Environment, Heritage and the Arts to the recent protest action in the Murray red gum forests near Mathoura, in my electorate of Farrer, and to the media releases put out by the Wilderness Society and the National Parks Association which indicate that that action is being taken with the imprimatur of the minister’s department in the sense that there is illegal logging in the red gum forests along the Murray River. What does the minister say in response to the National Parks Association and the Wilderness Society claims that red gum forestry taking place currently in the Murray region of New South Wales is illegal and what assurances can he give for the future of the industry in that area? Importantly, Minister, is that action illegal, as per the suggestions by the society that have come from your department?

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (10.31 am)—I am interested to hear the member for Farrer taking as a starting point for her question a press release from the Wilderness Society. The letter written by this department in relation to forest practices being undertaken in the area that the member refers to clearly identified practices which would provide the opportunity for Forests New South Wales to shift operations to less environmentally sensitive sites while discussions continue on a way forward to allow logging to continue in a more sustainable manner. There was no suggestion at all that logging was to be banned. I have made that very clear when I have spoken about this in the House.
The issue here is specifically the potential for logging to impact on wetlands of international importance and other matters protected under national environmental law. We are committed to continuing our discussions with the New South Wales government in respect of the issues raised in that letter. I am confident that we can reach a solution that will see a sustainable forest industry and adequate, proper and comprehensive protection of the environment take place in the region to which the member refers.

Mr BILLSON (Dunkley) (10.32 am)—I just note that the minister has been unable to answer a single question put to him. We had a very learned colleague talk about groundwater and recharge and the fact that our water system is a system, questions that the member for Farrer raised about a very important local issue, nothing on the early termination of solar credits, and I asked him about—

Mr Hayes—Madam Deputy Speaker, I raise a point of order. The time allotted for this debate has finished. To be precise, it was 10.33 am. I did discuss with the opposition whip that the last question would be the last, and the minister is now leaving the table.

The DEPUTY SPEAKER (Ms S Bird)—The member for Werriwa will appreciate that that it is only an indicative time and that the chair would need someone to move that motion.

Opposition members interjecting—

The DEPUTY SPEAKER—If people will come to order. Member for Dunkley, just resume your seat for a moment, please. The member for Werriwa has a point of order?

Mr Hayes—Madam Deputy Speaker, if it comes down to the allotted time, I have to say that the member for Hasluck has been very patiently sitting here all morning but did not get one call. I think the call went to the opposition and she missed out. So if it comes to the allocation of time, please take that into consideration. The agreement was that the minister would be available for questions for a half hour. He started at 10.03 am and, according to that agreement, his time here expired at 10.33 am.

The DEPUTY SPEAKER—I appreciate the point of the member for Werriwa. I just indicate that, for the chair, that is an indicative time and I cannot stop people speaking unless someone moves that the motion be put. The challenge we have is that this is one portfolio and, as I understand it, if the question is put, that will shut off climate change, which I am sure no one would want.

Mr Hayes—that is the whole thing, Madam Deputy Speaker.

The DEPUTY SPEAKER—So I am going to allow the member for Dunkley to finish his point. The minister might consider taking those matters on notice and providing an answer later, allowing the Main Committee to move on to climate change. I should indicate to the chamber that I did seek to give the member for Hasluck the call in order to give her the chance to contribute, but she did not want to hold up a minister, which I understand perfectly. So I will allow the member for Dunkley to finish his point and suggest that the minister takes any questions on notice.

Mr BILLSON—It is important to note that the speeches have been alternating between sides. The opposition has happily accommodated our learned Independent. The minister’s answers were running down the shot clock, so I will be very brief. Minister, you referred to the $100 million smart grid project. Recognising that no answer has been given to any other question, I will try again. You portrayed the $100 million smart grid project as being funda-
mental to renewable energy and to efficiency in the energy market. Isn’t it true that the budget paper actually states, quite factually, that that $100 million is to achieve a smart grid outcome for one community of at least 25,000 people—and that is all? There is plenty of discussion that Belgrave has already been selected, so I am interested in your view on that. Isn’t it more accurate to say that this is no more than a demonstration project? This is $100 million for one community of 25,000 people. Do the maths. If this is somehow leading the way for the rest of the continent, that is an extraordinary amount of money the taxpayer will have to provide and will add to our crippling levels of debt. Wouldn’t it be more accurate to characterise that smart grid as a demonstration project at best, leaving very little scope for it to be transported to any other community when it costs $100 million of taxpayer money to prop it up?

Mr Garrett—It’s the kind of thing you would have loved to have done but did not get the chance.

The DEPUTY SPEAKER (Ms S Bird)—The committee will now consider the climate change segment of the portfolio, in accordance with the agreed order of consideration.

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (10.36 am)—I welcome the opportunity to present the climate change portfolio appropriations to the Main Committee. Climate change, of course, poses a major threat to our environment, our society and our economy. It is more important than ever to secure Australia’s long-term prosperity by building a low-pollution economy that protects the environment while enabling our society to prosper and build our economy into the future. The Australian government is implementing an integrated and comprehensive response to climate change to help preserve our environment for generations to come. Action now will secure Australia’s long-term prosperity by driving investment in new technologies and creating low-pollution job opportunities for Australians. There are two key institutional elements to our approach, one being the Carbon Pollution Reduction Scheme and the other being legislation that, on behalf of the government, I introduced to the House this morning in the form of the renewable energy target scheme.

Overall, the government’s response to climate change is built on three pillars: firstly, reducing Australia’s carbon pollution; secondly, adapting our economy and society to unavoidable climate change; and, thirdly, helping to shape a global solution to this issue. The government has set an ambitious emissions reduction target of 25 per cent of 2000-level emissions to be achieved by 2020—if there is an ambitious global agreement to stabilise greenhouse gas concentrations at 450 parts per million carbon dioxide equivalent. This target will be achieved through a comprehensive and integrated suite of climate change policies and programs that guarantee that emissions do come down and that provide incentives for action as we meet our 2020 targets, which will transform the economy over time. This involves a legislated cap on carbon pollution through the CPRS, which will place an explicit price on carbon and help create the green jobs of the future. Of course, that price under the CPRS, after the first year of operation of the scheme, will be set by the market. It also involves measures to improve energy efficiency in our homes, shops, offices and workplaces; measures to deploy existing clean energy and low-emissions technologies; support for the creation of new clean energy and low-emissions technologies and products; opportunities for households to engage in individual action; and measures to help business and community groups prepare for a low-carbon future.
The Department of Climate Change is the core agency responsible for the development and coordination of the climate change policy. In 2009-10 the Department of Climate Change will receive funding to implement the CPRS and to establish the Australian Climate Change Regulatory Authority. ACCRA will bring together the administration of the CPRS, the renewable energy target scheme and the National Greenhouse and Energy Reporting System under a single independent regulator, streamlining the administration of the related legislation and reducing regulatory burdens. We are also establishing the $2.75 billion Climate Change Action Fund to provide assistance to business, industry and community organisations and, under this fund, $200 million will be provided in 2009-10 to support businesses and community organisations to prepare for a low-carbon future and to start to take early action to reduce carbon pollution.

We recognise, of course, the important role that household action has to play in moving to a low-emissions future for Australia. As well as the government’s significant investment of $4 billion in measures to reduce energy use in our homes, we are establishing the Australian Carbon Trust. As part of that trust, $25.8 million is dedicated to establishing the Energy Efficiency Savings Pledge Fund to support the uptake of energy efficiency measures by households and small businesses and to enable individuals to achieve emissions reductions beyond the emissions reduction target. The Australian Carbon Trust will also be provided with $50 million in seed funding to promote and demonstrate innovative energy efficiency activities for businesses and other organisations.

Quality scientific research is also essential to underpin each pillar of the change, and we are continuing to build scientific understanding of climate change through the provision of $31.2 million of funding over four years for the Australian Climate Change Science program. Domestic climate change efforts depend for their effectiveness also on strong global action to reduce emissions, and through the $12 million program, Shaping an International Solution to Climate Change, we will strengthen our efforts and shape our influence on the international climate change agenda. The measures contained in the budget bring our investment in addressing climate change to over $15 billion. (Time expired)

Mr ROBB (Goldstein) (10.41 am)—The issue that we are discussing and questioning here this morning, climate change, is an issue of great significance, and this side of the House takes it very seriously. That is why we express some enormous concerns. It is the biggest deliberate structural change that we will embark on in the history of this country. It needs to be properly considered and it needs widespread support. If it is to be embraced properly, if it is to be enduring and if there is not to be a community reaction against it, it needs to be understood and to be widely considered and supported.

The problem with the climate change legislation at the moment is that no-one supports it, including many in the government, although they are silenced. The Greens do not support it, community groups do not support it, the crossbenchers do not support it, the affected industries do not support it and individuals are not included and are opposed to it—it is friendless. The reason is twofold. It has been rushed and ill considered, because the government, in many respects, is playing politics with this issue. It is playing politics with the biggest deliberate structural change in our history. Because of the huge design problems associated with this bill and the loss of face in changing those design faults, in many respects, the bill has been maintained in such an awful form that almost no-one can support it and vote for it.
This suggests that the Prime Minister and the government are keen to use it to go to an early election, claiming that they have tried on climate change and everybody else is to blame for their inaction and their incompetence. That is the rationale driving the strategy of the government. They have not engaged in any meaningful way with anybody. There has been a ‘take it or leave it’ approach, despite the rhetoric in the public arena, which means that no-one’s consideration has been taken into account and constructive suggestions have not been embraced. This bill has been maintained in a form which is objectionable to everybody other than some in the government.

Our major concern is that the government have failed to identify the real impacts of this bill. They are seeking to force a vote through the impacts on regional Australia, where the employment effects will be most prominent, where most of the large energy intensive industries—trade exposed ones in particular—exist. The government say the Treasury modelling is the most comprehensive modelling ever undertaken and there is no need to do more; but the Treasury modelling took no account of the global financial crisis. I ask the minister this: why will the government not recalibrate the modelling? The modelling is being done. Why won’t you change some of the assumptions? Why won’t you push the button and give an output from that modelling which tells us and tells the community what the impact of the global financial crisis is? What is the impact if China does not come on board in 2015—which is the only assumption made in the modelling that has been done to date? What if India does not come on board by 2020? What if the United States does not start a scheme next year—which was the assumption in the modelling? What if all these countries—which are the major contributors to emissions and are our major competitors in the world—do not engage in a comparable scheme for 10 or 15 or 20 or even more years?

The design flaws in this model are such that, if those assumptions that were in the modelling originally do not hold, we are exposed as a community. We have jobs exposed. We have major industries in the minister’s own region which will not go ahead with investment, where lots of major resources will be put under severe pressure and where maintenance will not be maintained. We need answers. Why won’t this government model the many different scenarios and the other models before we make a decision and before we put this in place? (Time expired)

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (10.47 am)—Can I just address some of the issues that have been referred to by the member opposite. The Carbon Pollution Reduction Scheme is the product of many years of work and consultation with industry considering the climate science. There is no doubt that the 2007 fourth Intergovernmental Panel on Climate Change report, which was the product of over 1,250 scientists contributing evidence, scientific research and work that was the subject of peer review, has been a key determining factor in much of the international thinking on the reduction of carbon pollution—that is, the reduction of emissions.

The Australian government accepts the climate science and is determined to take action to address climate change. Over the last 10 years there have been numerous reports and work done at the Commonwealth level, including under the previous government, about the importance of reducing carbon pollution in our atmosphere and playing a role in international efforts to address climate change and reduce emissions. In consideration of those issues, work
has been done on the development of emissions trading concepts as the principal means by which a price on carbon may be imported into the economy—and into economies internationally—and the linkage of those efforts to establish a carbon price and bring pollution levels down.

The Labor government in its time in office has done a lot of work in this respect, in contrast to the efforts of 12 years of the coalition government. The Rudd government received the report of Professor Ross Garnaut, which considered many of the various alternatives—and the science, industry and employment aspects of approaching emissions trading—as well as considering mechanisms such as a carbon tax. It has been internationally concluded that emissions trading is the best way of approaching this issue for a number of reasons. It is a market mechanism for introducing a carbon price, but it also enables the linkage of international efforts.

Following Professor Garnaut’s work, the government produced a green paper and engaged in extensive consultation with industry. In December last year, we produced a white paper—an extremely comprehensive piece of work which took into account the most extensive Treasury modelling ever undertaken in this country of the potential economic impacts of an emissions trading scheme and which contained within it, of course, extensive assumptions underpinning that work, dealing with the economic environment in which we are introducing this.

To take up that point slightly further: the government, on 4 May, announced—taking into account the global economic environment: the worst economic environment since the Great Depression—the necessity for providing a global recession buffer in assistance to emissions-intensive trade-exposed industries. Consideration of that position and its announcement came after extensive work.

The issue here is that, despite all of this going on and the release of the Carbon Pollution Reduction Scheme legislation—11 detailed bills, which have now passed the House of Representatives—the coalition has yet to put forward one constructive proposition in relation to this. We have had a series of delays, which the government regards as excuses made by the coalition for not wishing to consider this issue—excuses that have been put forward because of the division within the coalition side of politics over the issue of climate change and emissions trading.

We have put forward a very comprehensive plan for bringing down carbon pollution via the Carbon Pollution Reduction Scheme. We have also, as I have said, introduced into the House of Representatives today a further important institutional effort in the battle against climate change, in the form of an expanded renewable energy target: to secure 20 per cent of our electricity supplies coming from renewable sources by the year 2020.

As part of all of this, very extensive work has been undertaken with many sectors of industry to consider the impact of the Carbon Pollution Reduction Scheme as well as the renewable energy target, which has led to very detailed work being issued concerning emissions-intensive trade-exposed industries. I would explain further what is on the table, but my time has almost expired. But it is extremely important to support jobs in this economy. (Time expired)
Mr WINDSOR (New England) (10.52 am)—I noticed that in the budget documents there is an allocation under the environment portfolio towards research into cellulosic ethanol. Given—

Mr Combet interjecting—

Mr WINDSOR—There is not? It is in the budget papers.

The DEPUTY SPEAKER (Ms S Bird)—The member can continue his explanation and the minister can come back and answer.

Mr WINDSOR—I have to have the attention of the minister, otherwise he cannot answer my question. Maybe that has been the problem this morning: they have not heard the questions so they cannot answer them!

The government has made a commitment to fund research into cellulosic ethanol. That will have obvious advantages in terms of renewable energy and carbon sequestration in soils et cetera. Last week’s Carbon Pollution Reduction Scheme announcements and the amendments that you yourself brought in encourage the planting of trees to sequester carbon. Given all that, I have two questions. Do you, Minister, have a target in mind in the encouragement of cellulosic ethanol? And do you have any concerns as to the land-use shifts because of the carbon economy encouraging a change in land use from the production of food to the production of other energy sources or carbon sequestration?

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (10.54 am)—I thank the member for his questions. I think the issue of funding for research into cellulosic ethanol might be a matter under the Environment, Heritage and the Arts portfolio administered by my colleague. So I undertake to investigate that further for the member and to respond to his question further.

As to the second issue, the member for New England would be aware that the government, in contemplating a 12-month delay in the commencement date of the Carbon Pollution Reduction Scheme, from 1 July 2010 to 1 July 2011, at the same time determined to continue the commencement of the reforestation initiatives under the Carbon Pollution Reduction Scheme from 1 July 2010 to encourage investment in reforestation so that investors in that area, landholders who are engaged in that activity, would have an immediate incentive to begin that investment. The government are very mindful of the arguments that have been put forward as to the potential impacts on land use. We are unconcerned, at this point in time, following the consultation with various parties about it. But, as I think I indicated during the summing-up at the second reading stage on the amendments concerning this in the House of Representatives, the government will keep a close eye on this matter because, naturally, we have an ongoing concern to ensure optimal use of the land that is available for agriculture. So we will watch that issue very closely. It is, however, an extremely important initiative in the context of the CPRS, because the sequestration of carbon through reforestation can be an important contribution to reducing our emissions and it is an area recognised internationally for the generation of permits that can be effectively traded in linked emissions trading schemes, so we are keen to get that underway. As to your former question, I undertake to revert to that.

I might use the remaining time to take further some of the remarks that I was about to make about emissions-intensive trade-exposed industries. Where I had left off is that there has been very extensive consultation with many industries throughout the economy in the development...
of the Carbon Pollution Reduction Scheme over the impact of the CPRS on these sectors. There have been a number of reports that have been posited suggesting negative employment impacts.

Mr Robb—Nothing’s been done.

Mr COMBET—Each of those reports, of course, has been considered by the government and there are a number of problems with them. I know that the member for Goldstein has adverted to these reports on a number of occasions, so I wish to address it. The government, the Department of Climate Change and the Treasury have had a look at a number of these reports. The difficulty with them is that they all rely upon a reference case, charting towards the year 2020 in particular where the medium-term target is aimed for emissions reductions. The assumptions underpinning the reference case generally are not transparent and have been difficult for us to attain. They do not advert to direct job losses. They refer to reductions against some non-transparent business-as-usual case against a number of other assumptions concerning the impact of the Carbon Pollution Reduction Scheme. We are not satisfied, therefore, that they are reliable evidence of employment impacts of the Carbon Pollution Reduction Scheme that would deter us from the findings of the most comprehensive Treasury modelling that has ever been undertaken, which indicated growth in output in all major sectors of the economy.

In the specific policy context, therefore, of the emissions-intensive trade-exposed industries, we have been very concerned to work closely with those industries to develop the levels of assistance that would be provided over at least five years to those areas, such as aluminium smelting, cement manufacturing or, indeed, a host of others. Those levels of assistance are structured at two tiers, one of which is now a 66 per cent level of free permit emissions and the other at 94.5 per cent free permit emissions.

Mr BILLSON (Dunkley) (10.59 am)—I want to congratulate the Minister Assisting the Minister for Climate Change on his elevation, and on the reintroduction of autumnal Melbourne fashion to this parliament building! What I do not want to compliment him on is his lack of answers to the questions from the member for Goldstein. He did a better job reading out the same response that he gave in parliament the other day—probably a little less nervous now—but he missed the material issues that the member for Goldstein raised, and they are about the economic modelling. The government seem to want to engage in some kind of theoretical debate, where they can muck around with the settings and the context as it suits them, pick up bits of change or movement elsewhere that suit them, but not actually ground this work in what is going on.

The member for Goldstein made it very clear: how can you ignore the international economic setting as the government seeks to do? How can you not put that into this modelling that the minister says is world class and comprehensive? He will not show anybody. It is sort of North Korean modelling: ‘Here it comes; be happy about it and we will all wear brown suits.’ It does not pick up the reality of the economy as it stands, the international setting or the behaviour of other actors in the issue of climate change, and then he has the gall and the front to have a crack at everyone else’s modelling, saying they are not up to scratch. A bit of show and tell, Minister! Or is this more of the monstering and shirt-fronting that industry is being subjected to on a ‘take this or take nothing’ basis? That is not an elegant, arguable position; that is monstering people, and they deserve better than that.
My questions are numerous, but in the time available I will try to limit them. My first one is: Minister, have Labor members of parliament raised with you their concerns about the impact of your scheme on their communities and economies? If so, what changes have been made to take account of those concerns? Speaking of local members, I will talk about another local member: me. My community is concerned. I look at Visy as an example. They were led by the departed, visionary Richard Pratt—condolences to the family—who invested early in adapting and changing his production cycles to recover from landfill waste that would have decomposed and released methane, by volume a far more potent and damaging greenhouse gas than CO2. They are wondering why they are being treated so shabbily, why they, because of the work they have done, do not trigger your theoretical thresholds of production output for energy consumed. They have done all the hard yards and now they are being done over because of it. What sort of address have you given to those kinds of issues—to make sure that people who have done the right thing and acted positively get recognition?

In keeping with that theme, what about the individuals? Where in your model do the goodwill and action of individuals, companies and households get a look in? Or do their actions simply make more space for the polluters to pollute? You talk about the carbon trust, where people can pledge funds. They are already doing more than their fair share and not getting recognised for that in your poorly conceived, dodgy scheme, and you want them to cough up extra money as well. What hide! Can they trust your government on the carbon trust, Minister? Your Prime Minister went to the election saying this billion-dollar building would be green and clean powered if the Rudd government were elected. Uh-uh. Nothing has happened with the carbon trust of the Australian people, because you could not even fulfil your own undertakings. It was a great sound bite but no action. Now they are talking about negotiating a share of green power when the promise was clear that this would be a clean, green building. So much for carbon trust.

Why, Minister, will you not embrace the positive and practical ideas of the opposition on voluntary action? In the opposition’s response to your scheme we outlined a number of opportunities involving energy efficiency, particularly for the built environment: soil carbons; biochar; revegetation of marginal land, including reforestation; and clean coal technologies and the like. We put forward a proposal for a voluntary trading framework that has been embraced and welcomed by industry across the country. No monstering was required; it was support based on merit and based on the quality of the idea. You saw the Green Building Council, you saw the property industry, you saw the Master Builders Association, you saw builders and you saw industry representative saying this was a constructive, practical idea to capture the opportunities that are there in the built environment and that it should happen.

My last question is: what about the stimulus package, Minister? You must lie awake at night wondering what a missed opportunity that has been. We are building buildings around the country with no interest in sustainability, energy efficiency or carbon emissions. In my own community of Langwarrin they are being monstered by state Labor officials to knock over a building the community want to refurbish just to replace it with another building. The embedded carbon and energy is being missed. This is not for real on emissions. (Time expired)

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (11.04 am)—I hope your blood pressure is all right, Bruce. I will take your fashion advice, but I do not want to turn red like that!
Mr Billson—I feel passionately about this.

Mr COMBET—I feel passionate too, mate. I will clear up a couple of things. The member for Goldstein did make the observation earlier that investment will cease in many of the sectors of the economy affected by the Carbon Pollution Reduction Scheme. That is of course a completely fallacious assertion. It reminded me of a decision announced in the New South Wales budget yesterday to invest a further $205 million in the Eraring power station, which happens to be in my electorate, to expand its generation capacity. That is obviously an investment decision taken in full knowledge of a carbon price and of the detail of the CPRS, including the Electricity Sector Adjustment Scheme assistance that the federal government is providing under the CPRS. We have given a lot of attention to ensuring there is a continuing strong investment environment that will support jobs growth in these sectors of the economy.

I indicate to the member for Dunkley the sorts of concerns that are raised with me by members of my own political party. They advert to the issue that the coalition is frustrating the passage of the Carbon Pollution Reduction Scheme.

Mrs Hull—So they haven’t raised the job losses in their areas!

Mr COMBET—I am telling you about the concerns that are raised. You say you are passionate; we are passionate about the passage of this legislation and addressing carbon pollution reduction. It would be useful, if one is passionate about climate change, to make positive, constructive contributions to ensure the passage of this legislation.

The member for Dunkley also raised a specific issue concerning waste landfill and methane gas emissions. This fell in the delegations that the Minister for Climate Change and Water afforded to me when I took on a parliamentary secretary role in this area. The single greatest concern in that sector of the economy with local government and private landfill managers was the application of the CPRS to legacy waste emissions, something that was addressed. I went and visited many local governments and spoke with all of the landfill sector. Legacy waste emissions are now removed from the scope of the Carbon Pollution Reduction Scheme. Upon the announcement of that initiative, as the member for Dunkley might be pleased to hear, the landfill owners and operators association issued, along with the Australian Local Government Association, press releases supporting the government’s initiatives and the application of the CPRS to their sector.

On the issue of individual action, the government has taken a number of steps to enable households, individuals, small businesses and community organisations to participate in the scheme—correctly, as identified by the member for Dunkley—in part through the pledge fund. But the government is also investing significant funds to support households in introducing energy efficiency measures, the most obvious example being the installation of insulation. I think that is an almost $4 billion initiative in total, but many other initiatives totalling billions of dollars have been indicated through the budget and other announcements and have been funded and are generally represented through my colleague the minister for environment’s portfolio area.

We are committed to developing a national carbon offsets scheme to operate in our domestic economy and we will be bringing forth a policy position on that in due course. The government is acting on a very wide range of fronts to improve energy efficiency at the household, business, community organisation and commercial property sector levels. We are invest-
ing, as is demonstrated through this budget, a significant amount of funding in areas such as support for solar research, the clean energy initiative and a host of other things. These include, very importantly, in relation to the electricity generating sector and the coal industry, a very significant amount of funding to support the investigation, research, development and, hopefully, commercialisation on a large scale of carbon capture and storage, as that is so important to the future of the coal industry.

Mr RIPOLL (Oxley) (11.09 am)—I move:

That the question be now put.

Question agreed to.

Proposed expenditure agreed to.

Families, Housing, Community Services and Indigenous Affairs Portfolio

Proposed expenditure, $2,535,786,000

Mr ROBERT (Fadden) (11.10 am)—On 1 October 2008 the Minister for Housing joined with the Treasurer to literally shout from the rooftops that the First Home Owner Grant scheme was up and running. Let me remind the government minister of what the Treasurer said last October:

… it’s great to see these First Home Saver accounts will provide real help to hundreds of thousands of young Australians trying to buy their first home.

But just how many, Minister? This is what the Treasurer and the Minister for Housing made clear would occur and would be reflected in the budget allocations. They said $6.5 billion would be held in these accounts after four years. They said that the take-up would grow over time, with around 730,000 accounts being opened in four years time. Then they reflected this in their budget allocations to support the operation of these accounts. Some of us thought these were fairly ambitious outcomes. But the Treasurer and the Minister for Housing insisted—insisted—this would be the take-up: 730,000 accounts holding $6.5 million in four years, notwithstanding you had to be 18 years old or above and parents could not actually open an account for their young children to prepare for their future.

As my colleague the shadow minister for housing has shown, to achieve this Treasury estimated 220,000 accounts would be opened in the first budget year after the scheme began last October. As well, last year’s budget papers show that 13 per cent of their copayments for the scheme would be spent in the first year, indicating the total value of these accounts would reach $821 million by 30 June this year—a couple of weeks away. So how are we travelling?

After considerable pressure during Senate estimates in February, we actually got an answer to this question lodged a day or two before further estimates hearings this month. This, Minister, is how we have progressed over the first six months of the four years. The goal for the number of accounts opened was 730,000; the number opened, 10,800. The goal for the value of deposits over four years was $6.5 billion; the value of deposits, $19.4 million. So let us get some perspective on this, Minister. The take-up of accounts that has been achieved in the last six months the government thought would be achieved in a fortnight. The government thought that the savings in accounts achieved in the last six months would be achieved in only one week. Minister, that is an underperformance of 93 per cent for the total number of accounts opened. An underperformance of 93 per cent! If we look at the amount of money deposited, it
is an underperformance of 96 per cent. Grossly incompetent in any language you may care to share.

I ask the minister: are you prepared to concede that the first home saver accounts are not quite meeting the set targets? They are not quite there, are they, Minister? Would you concede that this is a complete dog of a scheme, riding a lemon—or in the words of the Prime Minister, ‘fair suck of the sauce bottle’, Minister. This thing is a complete horse’s backside.

Let us be generous to this government: if the take-up rate were to double to 10 per cent of their original estimates, the government would still have $702 million left. I ask the minister: what is going to happen to these funds? What will happen to the $700 million if the rate doubles? If it does not, it is over a billion. Why has she not identified the underspend this financial year? Why has she squandered the chance to redirect these savings to other areas of need? Will the minister now concede that nasty actions such as the cruel cuts to the Medicare safety net could have been avoided if only she had actually stood up, fessed up and said: ‘You know what? We are 93 and 96 per cent underperforming. This thing is a complete dog.’ Why is the government silent on such a massive departure from its projections? If a scheme like this is chronically underperforming, why not say so and identify the savings?

Again I ask the minister: why haven’t the savings been used? They could have got rid of the $456 million cut to the Medicare safety net and cuts to procedures like IVF, cataracts and obstetrics. Why did you fail to offer up these savings as part of the budget consideration? Why did you ignore that these savings were piling up towards a $58 billion budget deficit on the backs of current and future generations?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.15 am)—While we are talking about competence, I just remind the honourable member that this is a debate about the appropriation bills, consideration in detail on the Families, Housing, Community Services and Indigenous Affairs Portfolio. I remind the member—he may be ignorant in this regard—that the matter he raises is a portfolio responsibility of the Treasurer and is not to be considered as part of this consideration in detail because it is not part of the appropriation bills. He should get his facts straight before he comes in and takes up the time of the Main Committee. It is of course quite possible that, as normal, the opposition has absolutely nothing of a productive nature to say about housing and so they come in here and waste the time of the committee.

Mr Robert—What about the underspend?

The DEPUTY SPEAKER (Ms S Bird)—Order! I will tolerate a degree of interjection but if it gets too much I will pull you up. I think that is enough; thank you.

Ms MACKLIN—He obviously does not like having it pointed out that he is completely wrong in raising this matter in this consideration in detail, which has nothing to do with that particular matter. As the member raises the very important issue of housing, I take the opportunity to mention that this government, by contrast to the previous government, has a housing policy and a housing minister, something which we did not see for the last 12 years. This government has decided as part of our Nation Building and Jobs Plan to invest $6.4 billion building around 20,000 new homes and upgrading thousands more, providing homes for people in a way that we did not see under the previous government. In fact, under the previous govern-
ment all we saw in housing were continued cuts to the Commonwealth-State Housing Agreement.

This government is serious about increasing the number of homes for people, especially those who are the most disadvantaged in our community. My colleague the Minister for Housing is doing an outstanding job working with our state and territory colleagues to get homes built and thousands of homes upgraded—homes that otherwise were not able to be lived in.

Other areas where we have had initiatives in housing include the National Rental Affordability Scheme. We never saw a program like this from the previous government; never was it considered at the Commonwealth level when Mr Howard was the Prime Minister that we would get involved in making sure that rental homes would be affordable for those low- and middle-income people who are struggling in the rental market. This member comes in here, makes a lot of noise and gets it all wrong because this is not actually the appropriation that is relevant to the issue that he raises. I think it is time we used this period for the purpose for which it was intended.

Ms RISHWORTH (Kingston) (11.18 am)—I would like to take this opportunity to commend the minister on the significant reforms in the pension and other support for carers in this budget—unlike the previous government, which completely ignored pensioners for 12 years. Despite putting forward to the media that they were the hero of pensioners, they did absolutely nothing. They kept getting reports commissioned and never, ever acted on them. I am incredibly pleased that as soon as we came to government this government did commission a report, the Harmer review, and in this budget we are seeing the minister taking forward some of those very important recommendations from the Harmer review and putting them into action. This has been certainly welcomed by the 23,000-plus pensioners that I have in my electorate of Kingston.

Over the last 18 months I have been speaking particularly to single age pensioners. In fact, I would like to recount the experience of one pensioner that spoke to me. For some time he had been on a couple pension with his wife. His wife has recently passed away and he came to me and said: ‘Amanda, I did not understand how difficult it was for single pensioners. I cannot live on a single pension.’ When the budget was announced he came to me and really thanked us for the $32 a week increase because it will have a significant impact on his life. This has certainly been significant for the many single pensioners in my electorate and they have welcomed it. From what I am hearing from pensioners, I think they know that the previous government did nothing for them. When we came to government we increased the utilities allowance, and pensioners are now seeing us back that up with this pension reform. Couple pensioners have also been very pleased to receive the increase. I have also heard a lot of people say they are pleased that all the different allowances have been simplified into one payment, and that the payment has been increased. That has certainly been very much welcomed.

I would like to spend a small amount of time talking about the carers bonus. Under the previous government, people waited around budget time unsure as to whether or not they would get the bonus. They were not sure what would happen and they were unsure how they would budget. They have very much welcomed the stability that the $600 ongoing payment provides to them. They have been very pleased with this, have welcomed it and have, I think, really appreciated that this government has acknowledged the role that carers perform. I have heard the minister speak many times on the vital role that carers have. I know that she is very pas-
ionate about it, and that message is translating to constituents in my electorate. So that budget measure has certainly been welcomed.

I want also to touch briefly on the changes that we are making to indexation of the pension. A lot of pensioners have said that they wish their pension would keep up with the things that pensioners buy. They tell me that the things they buy go up more quickly than some of the consumer price index items. So they were very, very pleased that we are going to create a new type of indexation that will more reflect the things pensioners buy. A comparison will be made with the consumer price index and whichever is higher will be used. That has certainly been welcomed by my constituents; it has been one of the common things that people have raised with me.

Overall this has been a huge pension reform. One of the biggest pension reforms we have seen in a long time is happening in the budget under this government. My question to the minister is: could she elaborate a little more on some of the key pension reforms that will benefit my constituents of Kingston?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.23 am)—I would like to thank the member for Kingston for her remarks. Having been down in her electorate with her, I know what a great advocate she is for both young and older people. She does have a very large number of pensioners in her electorate who will benefit as a result of these changes. Overall, it is 3.3 million people who will benefit from these changes.

I would like to take this opportunity to say—and to let the member for Kingston know—that today is an especially great day for carers. Today is the day that the new carer supplement starts to be paid. About half a million carers around the country will start receiving the $600 annual supplement into their bank accounts over the next 10 days, so let your constituents know. I know from speaking with people here in Canberra today how well received it is going to be. I have just been at a lovely forum with carers here in the ACT this morning and they have said to me how pleased they are to know that they have security—that security that the member for Kingston highlighted—for the future. They are not going to have to wait year on year as they did under the Howard government. They can now know that they are secure. Each year, at the beginning of July, this carers supplement of $600 will be paid to people who receive the carer payment and the carer allowance. The payment will also be paid to people who received related veterans payments. If you are on the carer allowance and looking after two people you will, of course, get $1,200.

We understand that for many people their caring responsibilities mean that they are unable to participate in the workforce. I met a couple today who have two children who are now grown up, but they have been looking after them all of their lives. It is impossible for them to work because of their huge caring load. This additional supplement will be very important to those carers. We also heard from carers that they wanted an increase in the carer payment, and that is being delivered in the same way that it is being delivered to single and couple pensioners. Those who are dependent on the carer payment and those who are receiving the carer allowance emphasised how important it was to have this lump sum once a year in order to be able to pay for those larger items that people need, especially when they are caring. So this is a very big day for carers.
While I am speaking of carers, I would also emphasise that from 1 July the new rules for carer payment (child) come into effect. That went through the Senate last night and it will mean that around 19,000 extra carers will become eligible for carer payment (child). This has also been a long time in the making. None of these changes happened under the previous government. Even though we had years and years of strong economic growth built on the back of the mining boom, none of these changes were made to benefit carers and pensioners. It has taken this government, in these very difficult economic times, to make these tough decisions and also to make the difficult savings decisions that go with them so that we can make sure that the pension changes and the changes for carers are sustainable in the long term. They are difficult decisions that we have made but we have made them because we know that pensioners have been struggling, especially single pensioners—as the member for Kingston so rightly highlighted—and particularly those pensioners who are living alone. We are very pleased that from 20 September those increases in pensions will be made.

Mr BRUCE SCOTT (Maranoa) (11.27 am)—I have genuine questions to the Minister for Families, Housing, Community Services and Indigenous Affairs to do with Aboriginal housing in my electorate of Maranoa. I refer particularly to my letter to you, Minister, back in September 2008. I think I also spoke personally to you about this issue. It is a matter of great concern to me.

I wrote that letter after I had met with some of the Aboriginal elders and people who live in these houses in Cunnamulla. When I met them in August last year, the condition of some of this housing was nothing short of appalling. They had packing cases to replace broken windows. There were broken floorboards. I could describe a situation which none of us in this place could be proud of—we would have to feel a sense of shame. I know that the little children who live in these houses suffer also, as a result of inadequate heating due to the lack of insulation and the consequent incapacity to insulate the house from the weather. I also have a letter from the Acting State Manager of the Department of Families, Housing, Community Services and Indigenous Affairs, Mr Mike Fordham, dated June 2008. This identified some of the costs required to deal with the housing issue in Cunnamulla.

I do acknowledge the letter that I had from you, Minister, in response to my letter, outlining that the government—and I welcome this—is making available $60 million to the Queensland Department of Housing for the upgrade of houses owned by the Indigenous community housing organisations. In your letter to me of November last year, Minister, you state that the work of this joint agreement is starting to gather momentum. I know I speak on behalf of the Aboriginal community and of Jo Sheppard and her local council of Paroo Shire in Cunnamulla—and there is a similar situation I could talk about in Charleville with the Bidjara group—when I ask: could you give me some indication as to whether this money is now starting to have an effect in the upgrading of these houses?

This has gone on for too long. I do not want to put the blame on either side of the House. I am genuinely seeking information as to whether the Queensland minister is administering the $60 million which have been made available to Queensland by this government or are we still being caught up in a bureaucracy in Queensland? I do not want to see the Aboriginal families of Cunnamulla and other communities in western Queensland suffer because of some bottleneck or failure to progress the allocation of the $60 million from the federal government.
Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.30 am)—I thank the member for Maranoa for his question. I understand that his question is put in the best interests of his constituents. I recall both his letter and his conversation with me and I take his question in the good way he has presented it here today. We are still working with the Queensland government, trying to make sure that this money is spent to upgrade and improve the standard of housing not only for his constituents but for the other Aboriginal people in Queensland who so desperately need their homes upgraded. The member for Maranoa is right to say that it is unacceptable that these houses are in this condition—they have been in this condition for far too long.

We have made $60 million available. The issue is not that it is caught up in any bureaucratic problem—I reassure the member that that is not the issue. We are sitting down working through these issues with Indigenous community housing organisations. As you know, one of the conditions we are putting on the upgrade of these houses is that we improve the tenancy management—not just in his area; it is right across Queensland, right across Australia, for that matter. We want to see all Aboriginal housing organisations delivering tenancy management to the same standard that we have for other public housing tenants. We want to make sure that each of our state and territory colleagues is making sure that the maintenance and upgrading of housing is done to the same standard that any other public housing tenant can expect.

These are major reforms, which have not been implemented in the past. Some Indigenous community housing organisations are pleased to come on board. With others we are continuing to have discussions. I am happy to have another look at the particular examples the member raises here with me again today. I know he is doing it because of concern for his constituents and I will follow it up for him.

Mr BRUCE SCOTT (Maranoa) (11.32 am)—I thank the minister. I would appreciate her department coming back to me in relation to the situation that we are confronting in Cunnamulla, one of those very small rural remote communities in Australia which has had difficulties for many years. I am desperately seeking some upgrade of these houses. I would hate to think that the bureaucratic process has yet to get something in place Australia wide in relation to tenancy agreements as we enter another winter. I have spoken to these children. In fact they came down here last year to see us personally. I would really appreciate it if your department could come back to me with some time frame as to when we will see this money being spent out in Cunnamulla, addressing the housing issue particularly in western Queensland for my constituents’ sake.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.34 am)—I will do that, as has been requested. I will get further advice from the department to follow it up.

Mrs D’ATH (Petrie) (11.34 am)—Can I say how pleased I am to be able to put questions to the minister. I believe that the budget initiatives under the minister’s portfolio are some of the most important measures that are coming out of this budget. Our infrastructure commitment is significant and extremely important both for jobs in the short term and for growth in the economy in the long term, but these key measures address those most in need in our community. I thank the minister for these initiatives. I know, when we talk about housing, I have way too many people in the electorate of Petrie who are on long waiting lists for social housing and who are homeless. I have some amazing community organisations, such as the
Redcliffe Community Association, that right now are trying to once again deal with the negative publicity about homelessness and people having to live in tents and caravans or—even worse—in parks, on the street and in their cars.

These people are not just singles living alone but also families—women with children who have no roof over their head or for their children. It was fantastic to see, in this budget, more money committed towards social housing. I know that there are a number of new social housing units that are being built in my electorate but importantly that there are even more social housing units that are being repaired—properties that are sitting there right now not being used. This government has committed to fixing up those properties so that we can get them out into the community, available for people in my area, both young and old, who will now be able to have a roof over their head. It is certainly the first step in building their self-esteem and assisting those people to get back into the workforce and have a good quality of life.

That leads me on to some of the other important initiatives. I have to say, coming from my previous life as an industrial advocate and representing workers’ rights to being part of a government that has introduced paid parental leave, I heard some of the criticisms after the budget from the opposition members about why it is taking so long, not coming into effect until January 2011. What hypocrisy! This is the government which for 12 years did nothing and which had no interest in introducing paid parental leave. As far as they were concerned it was not the responsibility of the federal government. Paid parental leave is an extremely important initiative. This government did not sit back and wait. In fact, it started to act on paid parental leave as soon as—

Mr Simpkins—On a point of order, Madam Deputy Speaker: this is about questions to the minister. Is there a question coming?

The DEPUTY SPEAKER (Ms J A Saffin)—There is no point of order. The honourable member for Petrie may continue.

Mrs D’ATH—I have a very important question to the minister on paid parental leave, because this is an important initiative. It is one that this government took and the previous government failed to even consider. We took the initiative. We listened to the Productivity Commission and we have introduced paid parental leave. Not only is it the responsible thing to do but it will also support women staying in the workforce. This will support families who want to have children but wonder how they are going to pay the rent or how they are going to be able to make the mortgage payments if one of them has to leave the workplace for a period of time. How are they going to make ends meet? This will help those families. You should not need to choose between work and having children. You can do both, and this government is going to make sure that we provide that assistance. Minister, I would like to hear from—

Mrs Mirabella interjecting—

Mrs D’ATH—I am certainly interested in the opposition’s interjections on paid parental leave when they failed to do anything about it for 12 years. I would think that the members opposite would be very supportive of paid parental leave as opposed to interjecting about it. Minister, I am interested to know how the working people in my electorate can benefit from the paid parental leave scheme.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.39 am)—I thank the member for Petrie for her very real interest on two
very important matters for this government. As she is very well aware, the Prime Minister, along with the Minister for Housing and me, has both put in an enormous amount of personal time and put forward the government’s commitment to addressing the issue of homelessness. Yes, we have put a lot of extra money into both upgrading homes, as the member for Petrie highlighted, and building new social housing.

One of the things that I would like to add to the member for Petrie’s remarks that the Minister for Housing has really wanted to see happen is the extra effort to put the services around those who are homeless. There was an article in the media today from a very important homelessness service in Melbourne highlighting that one of the groups that is often not thought about in the homelessness policy area is children. It is the case—and I am sorry to say this, and I am sure the member for Petrie would agree—that there are far too many children homeless on any given night in Australia. One of the jobs that we have, and that the Minister for Housing in particular is committed to, is making sure that when women and children are escaping domestic violence they have a place to go to, a roof over their heads, and that they also have the services around them to help them get back on their feet so that the kids can go to school and the mothers can get the support that they need. Those wraparound services are critical and are, of course, part of our new homelessness agreement with the states and territories.

The member for Petrie also highlighted the critical importance of paid parental leave. Her advocacy on behalf of parents, mothers and fathers, in her electorate to see this paid parental leave scheme come into place has been very important. I can say to the member for Petrie that this new scheme will mean that parents are able to take extra time off work while they look after their babies. I have said on a number of occasions that, for me, paid parental leave is all about what is best for babies. What is best for babies, as we know from all the research, is that they have time with their primary caregiver, normally the mother. What we are doing in this paid parental leave scheme is giving the choice to parents. If mum wants to take some time off work after she has had her baby—to recover from the birth, to establish breast feeding if she can and, most importantly, to bond with her new baby—but does not want to take the full 18 weeks off and wants to go back to work after, say, 12 weeks, she can then have dad take the remaining time off work so that he can have some time with their newborn baby. We want to get as much choice into this new paid parental leave scheme as possible.

I would also say to the member for Petrie, given her experience in industrial relations, that one of the reasons that we are taking the time we are taking to introduce this new scheme is to work it through very carefully with employers. We know how important it is to get this new scheme right. We intend to work with individual employers and also the employer organisations and unions. We want to make sure when we introduce the scheme, which will be the first time such a scheme is introduced in Australia, that it is going to work for not only mums and dads and their families but also for employers. We know that in Australia, relative to similar developed countries around the world, we have a lower level of participation in the workforce by mothers of little children, although it improves as children get older. That is another reason that we are taking the time to get this right and working with employers to introduce this very, very significant change for our country.

Mr BRUCE SCOTT (Maranoa) (11.43 am)—My question is to the minister and it is to do with public housing. Minister, I want to get an outline as to how this public housing funding is
being applied at a state level. In my electorate of Maranoa, the Surat coal basin is putting enormous pressure on housing resources. It is putting pressure on the workforce and it is also putting enormous pressure on affordable accommodation not only for the people who are coming to work in this area but also for the people who have rented for many, many years. I would appreciate the minister giving me an answer as to how it is going to be applied. Would it be appropriate that it go through local councils, or should it be through non-profit organisations or charitable organisations? Who is going to administer this in these rural areas?

I just want to know whether this money is being applied for in my part of the world, Maranoa, and whether there is something more I could do. This is what shocked me the other day: we have people living in the park of a fairly substantial town in my electorate. I have had a discussion about this with the local mayor. Public housing is a real issue. In a rural community it might have been out of sight, out of mind for many or it might not have been such an issue in the past, but it certainly is now. I would appreciate the minister’s answer.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.45 am)—I thank the member for Maranoa again for his interest in this critical area of housing. As to the organisations in his electorate of Maranoa who may be applying for money under the new social housing initiative from the Commonwealth, I will check with him as to which community housing organisations might be applying for this money. I do not have all the details of every community housing organisation that is applying. I let him know that this is being rolled out in stages. The first stage has been rolled out. The emphasis in the first stage was on upgrades and repairs for housing. Once again, we can get some details for the member on how much of that is happening in different parts of Queensland.

There will be a second stage which the Minister for Housing is responsible for. The guidelines are being finalised for the second stage and, of course, applications will be called for in the normal way. It will be worked through with the states and territories. Some of it will be public housing in the traditional sense; some of it will be community housing. So there will be opportunities for community housing organisations to apply. The Minister for Housing has made it clear that she is a very strong supporter of community housing and wants to see community housing organisations increase their share of social housing. But, as to the detail of which organisations in the member’s electorate are applying or may have been successful so far, I will get the information back to him.

Mrs MIRABELLA (Indi) (11.47 am)—I would like to ask some questions of the minister about the National Plan to Reduce Violence against Women and Children. Given that the National Council to Reduce Violence against Women and their Children has delivered its Time for action report, can you provide an indication of how much the process of forming the council and developing the plan has cost so far? What will the ongoing role of the council be? How much is its operation expected to cost?

The Prime Minister’s announcement on 29 April was that some $41.5 million would be spent to progress 18 of the 20 priority recommendations of the report; however, the budget papers show that no new funding has been allocated. In fact, the budget papers state: The Government will redirect funding of $55.2 million over four years from the Women’s Safety Agenda program …
So far we are right in assuming that the Rudd government is making no additional commitment at all to addressing the problem of violence against women. Can you confirm that? In monetary terms there is not one cent of new funding being provided. Isn’t that correct?

Just on the women’s safety agenda, can you please outline exactly what has happened with the projects underway under the program? For example, what has happened with the helpline 24-hour counselling and referral service, the men’s line 24-hour counselling service, the Australia Says No advertising campaign, the curriculum resource on respectful relationships for years 11 and 12 students, the justice practitioners training program, and the Domestic and Family Violence and Sexual Assault Initiative which provided community grants for research and pilot projects? Can you also outline whether the Australian Domestic and Family Violence Clearinghouse and the Australian Centre for the Study of Sexual Assault had their contracts extended to help provide important research?

Wouldn’t the Australian public be right in assuming that the Rudd government’s rhetoric on violence against women is all symbolic given that the budget papers reveal the Rudd government has committed just $55.2 million over four years to the national action plan, which is some $20 million less than the funding the Howard government was providing over a similar four-year period for the Women’s Safety Agenda? Isn’t the Rudd government’s announced new counselling service, Respectful Relationships, and public education campaign just a rebadging of existing programs that were already working well? Doesn’t this symbolic rebadging cost time and money that could otherwise be spent on practical assistance to women’s suffering from domestic violence?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (11.50 am)—I thank the member for Indi for her question. Like her, I have a very personal desire to see a reduction in violence against women. I know my colleague the Minister for the Status of Women likewise has such a personal desire, not only from her ministerial responsibilities but from a long and very personal commitment to seeing a reduction in violence against women. When she became the Minister for the Status of Women, she immediately established this new national council. I would like to take this opportunity to thank all the members of the National Council to Reduce Violence Against Women and their Children, who were responsible for developing the plan to combat violence against women. I know all of them came to this task with a very personal commitment to add to the government’s efforts on this very difficult issue.

As I previously mentioned in response to questions from the member for Petrie about homelessness, this government is not just addressing the concerns about violence against women through the specific initiatives in this area of women’s programs. There is a very significant additional commitment of $800 million going into the critical area of addressing homelessness in this country. One of the facts, difficult though it is for all of us to confront, is that one of the largest groups who are homeless on any one night is women and children escaping domestic violence. I know the member for Indi would be as concerned as any other member of this House to make sure that we do everything to improve the chances of those women and children who have to flee violence to find a safe place to go and to have somewhere where they can get back on their feet.

That is why it is so important that those women and children also have the opportunity to get a place to live. This government is doing so much more than has ever been done in the
past with its massive expansion of social housing. The $6.4 billion that is going into social housing will mean that those women escaping domestic violence with their children, after they have been able to find the safety of a women’s refuge, will get services as part of the increased homelessness services this government is providing. They will also have a greater chance of finding a home because this government is responsible for building around 20,000 new units of social housing.

I think it is important for the member for Indi to recognise, and this is an area that I think all of us are committed to improving, that the government is not taking just one avenue to address this critical area of violence against women. We are determined to run the programs that are in the women’s area and also to substantially increase the services for those who find themselves homeless—including, unfortunately, large numbers of women and children—and to make sure, through our social housing reforms, that they have a place to go to once they have their lives back together again. The way the Minister for the Status of Women is going about this task is, I think, so important for women and children. I give my wholehearted support to everything that she is doing.

In my own areas of responsibility we also have an enormous effort going into supporting Indigenous women and children who find themselves subject to violence, and those programs are being strengthened, particularly in the Northern Territory where we have, for the next three years, added extra money to make sure that both child protection and services to women continue.

Proposed expenditure agreed to.

**Human Services Portfolio**

Proposed expenditure, $4,081,284,000

_Mrs MIRABELLA_ (Indi) (11.57 am)—Given that the national council has now delivered its report _Time for action_, can you provide an indication of exactly how much the process of forming the council and developing the plan has cost so far, what the ongoing role of the council will be and how much its operation is expected to cost? The Prime Minister announced on 29 February some $41.5 million to ‘progress 18 of the 20 priority recommendations of the report’. However, the budget papers show that no new funding has been allocated. In fact, the budget papers state that the government will redirect funding of $55.2 million over four years from the Women’s Safety Agenda program. I would like the minister to confirm that we are right in assuming that the Rudd government is making no additional commitment to addressing the problem of violence against women. In other words, could you please confirm that, in monetary terms, not a single cent of new funding is being provided.

On the Women’s Safety Agenda program, could you please outline exactly what has happened with the projects underway under that program. For example, what has happened with the Helpline 24-hour counselling and referral service, the Mensline 24-hour counselling service, the ‘Australia Says No’ advertising campaign, the curriculum resource on respectful relationships for years 11 and 12 students, the justice practitioners training program and the domestic and family violence and sexual assault research initiative, which provided community grants for research and pilot projects?

Could you also outline whether the Australian Domestic and Family Violence Clearinghouse and the Australian Centre for the Study of Sexual Assault had their contracts extended
to help provide important research. Wouldn’t the Australian public be right in assuming that the Rudd government’s rhetoric on violence against women is all symbolic, given that the budget papers reveal the Rudd government has committed just $55.2 million over four years to the National Action Plan, which is some $20 million less than the funding the Howard government was providing over a similar four-year period for the Women’s Safety Agenda? Isn’t the Rudd government’s announced new counselling service, respectful relationships and public education campaign just a rebadging of existing programs that were already working well, and doesn’t this symbolic rebadging cost time and money that could otherwise be spent on practical assistance to women suffering from domestic violence?

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (11.59 pm)—I think the member for Indi has missed that we have moved on to another portfolio. I am here to answer questions about the Human Services portfolio. If she has any questions about the Human Services portfolio, I am happy to answer them.

Mrs Mirabella—You’re the minister and you can’t answer these questions! You should be embarrassed.

The DEPUTY SPEAKER (Ms JA Saffin)—Order! Debate is through the chair, not across the tables.

Mrs MIRABELLA (Indi) (12.00 pm)—My apologies, Madam Deputy Speaker. I thought that since the minister directly responsible for this portfolio area had entered the room and there were no other questions from anyone else, and considering the previous minister could not answer the question—

The DEPUTY SPEAKER—The honourable member for Indi knows that the minister is here representing the Minister for Human Services and she will take questions on that area.

Mrs MIRABELLA—I just thought I would do the minister the courtesy of repeating the questions, just in case she wanted to clarify the issues that her predecessor was unable to answer in any way.

The DEPUTY SPEAKER—Yes, the minister heard the question. Thank you.

Mr Robert—Madam Deputy Speaker, are we dealing with Human Services or with Family, Housing, Community Services—just as a point of reference for me.

The DEPUTY SPEAKER—We are dealing with Human Services.

Mrs MIRABELLA—Maybe the minister can answer questions that are not directly related to her portfolio. The budget figures detail that Centrelink will receive a $111.8 million increase from 2008-09 to a total of $2.971 billion. There is also a projected increase in staff of 950. This increase is largely required to supplement Centrelink call centres so they can handle the increased number of inquiries resulting from the increase in unemployment projected by the government. This increase will be very welcome if people actually have their phone calls answered by Centrelink. Unfortunately, the budget papers show that this increase in the Centrelink budget only lasts for one year, with the budget papers showing a reduction of the Centrelink budget to $2.824 billion in 2010-11. This is $34.7 million less than what it was last year when Centrelink’s systems were so overloaded that people could not get through on the telephone line and experienced distressingly long waiting times. Given that the government’s own unemployment predictions show unemployment will continue to rise for up to two years,
does this budget essentially set up Centrelink for failure in a year’s time, or will additional money need to be allocated, adding further to the future budget deficit?

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (12.03 pm)—The member for Indi may have misread the budget papers. The call centre funding is additional for two years.

Proposed expenditure agreed to.

Sitting suspended from 12.04 pm to 12.29 pm

Broadband, Communications and the Digital Economy Portfolio

Proposed expenditure, $1,571,687,000

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (12.30 pm)—In the 2009-10 budget the key commitments in the Broadband, Communications and the Digital Economy Portfolio are as follows. The first is the National Broadband Network, which will help secure long-term productivity growth, global economic competitiveness and the creation of jobs. Considerable progress has been made to implement the National Broadband Network since its establishment was announced on 7 April this year. The government has established a new company which will invest up to $43 billion over eight years to build the network. The government has also commenced the implementation study process, with the government seeking a lead adviser to prepare a report to the government in early 2010 on, among other things, the operating and governance arrangements for the NBN company, detailed network design, and options to attract private sector investment in the company.

The government has received over 100 submissions in response to the discussion paper on reforms to the existing telecommunications regime. It has received more than 60 submissions for the $250 million Regional Broadband Blackspots Program and progressed negotiations with the Tasmanian government to commence an early rollout of a fibre-to-the-premises network in Tasmania. Regional, rural and remote communities will also realise the benefits of broadband through the Rural and Regional National Broadband Network Initiative. This supplements the government’s response to the regional telecommunications review, which provided an initial $60 million investment in regional communications, including for education, health and emergency services projects, greater access to satellite phones and an expansion of computer and internet access for remote Indigenous communities.

Substantial new funding totalling $185.3 million over three years will also be provided to the ABC and SBS. This will meet Labor’s election commitment to enable the ABC and SBS to expand their range of Australian drama and content. Importantly, it will also enable the introduction of a digital children’s channel. Our community broadcasters will also benefit from the management and broadcasting training available to them under the national training program at a cost of $2.5 million over four years.

On digital television, additional funding of almost $140 million over three years will help Australians get ready for digital television. This funding will support the government’s digital television switchover program in regional South Australia, in Victoria and in Queensland. National ICT Australia has been provided in the budget with funding certainty up to 2014-15 following the government’s commitment to provide $185.5 million over the four years from 2011-12. This will allow National ICT Australia to continue to generate significant economic
and social returns for Australia. For the Australian Communications Consumer Action Network, $7.5 million will be provided over four years. This will enable ACCAN to better represent consumer interests in the telecommunications market, including the development of co-regulatory mechanisms, resulting in better outcomes for consumers and industry.

Finally, the expansion of the Do Not Call Register will enable the registration of all telephone and fax numbers. This will help to protect businesses, fax users and emergency service providers from unwanted telemarketing calls and fax-marketing representations. The expansion of this register will cost $4.7 million over four years, but it has been the subject of much debate in this parliament over a number of years. The Rudd government is acting on the concerns that are there in the community on this issue. These costs will be largely recovered from the telemarketing and fax-marketing industries. In conclusion, the measures that have been announced in the 2009-10 budget will encourage a vibrant, sustainable and internationally competitive digital economy in Australia, something that is required to ensure that Australia can compete on the information highway, which is as important to this century as the rail highway was to the 19th century. (Time expired)

Mr BILLSON (Dunkley) (12.35 pm)—Thank you, Minister, for that gripping oversight of the budget. Questions that arise are many, and I hope that he is in a position to answer a few or at least take them on notice. The most troubling question is the National Broadband Network. We have had so many false dawns on this. It was a policy that was drawn up with a crayon on the back of an envelope to start with; there was no costing, no understanding where the regulatory framework would go, no commitment to competition, no indication about pricing arrangements, no access obligations and no recognition of where the universal service obligations might sit. Other than that—other than the complete lack of information—it was indeed a cunning political plan.

For Labor, a national broadband network has always been about the sound bite and not about the sound public policy. That awareness has come crashing down on your government, Minister, as we now move on to NBN mark II, which according to reports in the Sydney Morning Herald was dreamed up during a secret meeting involving Senator Conroy, the Prime Minister, Ms Gillard, Mr Swan and Mr Tanner. I am curious to know whether this meeting did take place on 20 January—yet there was all the machinations of due process masquerading in the background. What was the detail? What was the expert input? What advice was there from the ACCC about whether this would work? What about the costing? It was reported by a reader responding to the Sydney Morning Herald that the $43 billion was simply a $5,000 multiplication over 8.6 million premises. Surely there is more sophistication to this proposal than appears to be the case. The original proposal was based, supposedly, on very rigorous costings linked to the number of pillars needed to be converted to nodes. We never saw any evidence of this.

When will the government provide any evidence, any skerrick of analytical data to support this plan, so that the telecommunications industry, and consumers generally, can work out what is going on and people can understand their current network? There are many networks out there, and the coalition has always argued a network of networks was the way forward. What are they going to do with their dangling DSLAMs, their assets that are no longer available, while the government rides over the top of the telecommunications industry saying that they know better than the entire global telecommunications industry? Where is that detail?
Why won’t the government embrace the ideas for a proper analytical assessment of this proposal and a proper development of public policy? Will the government embrace Senator Minchin’s private member’s bill in the Senate that tries to put some due process around this fiction of NBN and do a proper cost-benefit analysis?

The minister, in a compelling answer yesterday regarding the O-Bahn and Northbridge project that fell out of the sky despite no attention by Infrastructure Australia, said that, as neither of these projects are funding by the Building Australia Fund, they did not need to go through IA. This National Broadband Network is supposed to be getting $2.4 billion out of the Building Australia Fund. Are we to presume that Infrastructure Australia is now supposed to have a role, or is the minister simply playing funny buggers with Infrastructure Australia? It is a flag of convenience, it is a flag that is flown when it suits them and a flag that is tucked away when it does not suit them. Is this what is going to happen with the NBN, Minister? In your state of New South Wales, the New South Wales government has already instigated changes to planning laws that will allow the aerial deployment of cables with no local government or community input. Everywhere you look, you will see cables in the sky—I can feel a song coming on.

Are you going to look after the interests of communities that want to have a say about cable deployment, that want to know that their amenities are not getting trashed for some rough-and-tumble idea about broadband? There is infrastructure available but the government is too lazy to incorporate it into a future plan for higher speed, more affordable broadband. Minister, why was there going to be a two-tier system, a two-tiered system where those in rural and regional Australia are destined to have a greater digital divide under your plan? You junked the OPEL project that provided opportunities for rural and regional communities under service to have metro-comparable broadband. Now you are not even trying to do that. You have 12 meg discounted for rural and regional while there is 100 meg in downtown Cityville. This is instituting the digital divide and making sure it is with us forever.

My final question relates to community television. Minister, when will you put some money into giving them some spectrum so that they can broadcast? It is nice that the training is there but they actually do need some spectrum to be able to broadcast. (Time expired).

Mr TURNOUR (Leichhardt) (12.40 pm)—I am proud to be part of a government that actually has a plan for telecommunications in this country, and it is great to have the Minister for Infrastructure, Transport, Regional Development and Local Government and the Leader of the House here today. It demonstrates how seriously we take the House of Representatives when a minister is prepared to come along here and answer questions as have other ministers. I understand the former government did not often send ministers to these appropriations, and it is great to see the Leader of the House here.

The members opposite have formally asked some questions about plans for the National Broadband Network. I want to put on the record that they had 18 plans and no solution for rural and regional Australia’s telecommunications. The Optus/Opel plan was the last. It was basically slapped together to respond to our framework for a National Broadband Network in the lead-up to the last election because the former Prime Minister knew that they were not going down very well in the bush.

While we are talking about the bush, it is disappointing to again see the very poor roll-up of the National Party at the agricultural estimates last night. There was not even a member of
the National Party here for communications estimates. It is an indictment of that party that they were not here representing rural and regional Australia at these estimates. Telecommunications are critical to rural and regional Australia. I come from Leichhardt and live in the great city of Cairns but I also represent Cape York and the Torres Strait. We know the importance of a national broadband network in delivering First World 21st-century communications technologies to communities like mine. It is great to be part of a government that has a plan that is being rolled out.

There are many problems with telecommunications. It is one of the major things that I get complaints about in my electorate. We have been in government 18 months and it takes time to roll out national infrastructure like this. The former government had 10 or 11 years to roll out any sort of national broadband network and they did not. I am continuously dealing with complaints in my office about not being able to access broadband not only in the Torres Strait and the Cape but in the central parts of Cairns. This is the network that was left to us by the former government. It is an indictment of the former government that they failed to deliver any sort of national broadband network to this country. The shadow minister is laughing.

Mr Billson—I’m not laughing at you, mate.

Mr TURNOUR—I can assure the shadow minister that constituents in my electorate are not laughing when their small businesses cannot get access to decent telecommunications to run their businesses and to increase productivity. We are about boosting productivity in electorates like mine and supporting small business. That is what we are about. Through the National Broadband Network there are benefits for business and social benefits, such as improving educational opportunities and health opportunities.

I am particularly interested in asking the minister a question about a part of the government’s commitment to rolling out and improving infrastructure. Can the minister please provide some information about the Rudd government’s new Digital Regions Initiative and how this program will help rural and regional Australia access the benefits of broadband communications? As a member from a regional area I firmly believe that it is vital for the Rudd government to help deliver the benefits of this investment directly to regional communities. How will the Digital Regions Initiative help to ensure that residents, particularly in Far North Queensland, can benefit from improved real world services through access to better communications? As I have said, this is going to be particularly important for rolling out improved educational and health outcomes. In the future, with the National Broadband Network and good quality telecommunications, doctors in a new hospital that we got built in Weipa will be able to provide services that are linked to specialists in places like Cairns, Brisbane, Sydney and Melbourne. We have a plan for the National Broadband Network—we have a plan to improve telecommunications in regional Australia—and I would appreciate the minister outlining some more detail about that plan, particularly in relation to the digital economy.

Mrs GASH (Gilmore) (12.44 pm)—I am going to ask a question, not make a speech. Minister, can you explain how broadband will work in village areas of Gilmore for populations under 1,000, the time frames for that to take place and which towns and villages in the Gilmore electorate will have broadband aerial cabling? And will the local councillors and local government have a say in that matter?

Ms COLLINS (Franklin) (12.45 pm)—The government has made provision in this budget for the National Broadband Network, and Tasmania will be leading the way. Certainly, in my
home state of Tasmania, people are thrilled about the announcement that Tasmania will be leading the nation under the National Broadband Network, and it has received wide public support, because at the moment Tasmania does not lead the nation when it comes to broadband. In fact, about 39 per cent of Tasmanian households currently have access to broadband compared to the national average of over 50 per cent. It is appalling, and that is the legacy that the former government left to my constituents in Franklin.

I too, like the previous Labor speaker, the member for Leichhardt, have had many complaints from my constituents, ringing up and contacting my office, about just how difficult it is to get broadband connected. I am talking about places that are 10 minutes from a capital city but currently cannot access broadband services. Even if they can, the services cost outrageous amounts of money. They are via satellite. They are very difficult to access, and this is in places that are 10 minutes away from a capital city.

The Rudd government has obviously taken the initiative with the National Broadband Network. It is a large investment. In Tasmania the proposal has come from the state government to the federal government for Tasmania to lead the rollout of the National Broadband Network because we have done some work ourselves as a state on broadband and we already have a backbone of fibre in the ground today that has never been connected up. This broadband network will improve services greatly for Tasmania. Industry in Tasmania; IT specialists; doctors, in terms of the diagnostic services that can be provided through telehealth; and certainly education leaders, in terms of rural classrooms and regional students who will be able to access online classrooms live, will see big improvements to rural and regional areas in Tasmania that would only be delivered under the Rudd government’s Broadband Network, so it has been very well received.

The other services that are currently delivered in Tasmania through federal and state government service delivery will be very different under the Broadband Network. I do not think that many Tasmanians or some of the media in Tasmania yet understand completely what this will mean for Tasmanians and how it will transform our lifestyles. I want to ask the minister whether or not he can provide us with an update on progress on the rollout in Tasmania. I know that Tasmanians are very keen to know when this rollout might start and whereabouts it might start, if we have any answers to that at this stage. As I said, apparently only 39 per cent of Tasmanians currently have access to broadband compared to the national average of over 50 per cent, and they are really keen to get this broadband network coming out in Tasmania as soon as possible. I would also like to take this opportunity to congratulate the state government on working with the federal government to deliver services to the people of Tasmania and to my electorate of Franklin.

Mr ROBERT (Fadden) (12.49 pm)—Minister—oh, Minister! In May 2008, the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy, announced a plan to create a safer online environment for Australian children. His media release stated:

Central to the Government’s plan to make the internet a safer place for children is the introduction of Internet Service Provider … level filtering of … child pornography.

Consequently, the minister moved to conduct trials with industry. In Senate estimates on 20 October 2008, Senator Conroy was a little coy on whether Labor’s plan included two levels of
filtering, one that could be opted out of and one that could not. Computerworld magazine, an outstanding magazine reflecting the views of the IT industry, was more definite, saying:

Australians will be unable to opt-out of the government’s pending Internet content filtering scheme, and will instead be placed on a watered-down blacklist, experts say.

Under the government’s $125.8 million Plan for Cyber-Safety, users can switch between two blacklists which block content inappropriate for children, and a separate list which blocks illegal material.

Minister, is the plan to have a mandatory filter at the internet gateways into the nation, of which there are three or four, that cannot be opted out of, and is there then a plan to have an optional filter at the ISP level?

Australian society has always accepted that there is some material that is unacceptable, particularly for our children. Liberty has its limits. That is why there is a National Classification Scheme for classifying films, computer games, publications and online content. Australian ISPs are already subject to regulation that prohibits the hosting of certain material, based upon this scheme. ACMA also has the power to issue a take-down notice, requiring that prohibited content hosted in Australia be removed, blocked from public access or hosted from behind a restricted access system.

The question, Minister, is: what are you planning to block? Minister, are you just planning to block the ACMA black list that contains fewer than 1,500 sites, or are you planning to use or replicate a commercial service with access to potentially millions of inappropriate sites? Will you have a mandatory filter at the gateway level? Will you have an opt in, opt out filter at the ISP level? You will enjoy this question, Minister: technically, can any filtering solution return a 404 error on a black list of at least 50,000 URLs with a latency of less than one millisecond? I will repeat that question for you, Minister, because I saw your eyes glaze over a little. Technically, can any filtering solution return a 404 error on a black list of at least 50,000 URLs with a latency of less than one millisecond? The wider question, of course, is: what is the success rate of Senator Conroy’s technical solutions? Is the success rate 50,000 URLs with a latency of less than one millisecond or is it something else?

With respect to policy alternatives, will there be any parliamentary oversight of any potential black list that the government may put forward? Considering that there is always a lag time between the provider of a black list identifying any appropriate site that does not meet whatever guidelines and then adding it to the black list, what is the acceptable time lag the government will accept? What is the focus of the black list? Is it R-rated? Is it X-rated? Is it XXX-rated? Is it violence? Will people have the opportunity to choose to accept one line but not another? How will you deal with the issues of circumvention or peer-to-peer networks?

Minister, what about the role of families? At the end of the day, government cannot save everyone. Government should never be a nanny state. One of the greatest ways that families protect their children is by having the computer in the living room, with the screen facing the family. The family can then see what children use. One of the greatest ways is parental responsibility and education, combined with PC level filtering as well as other measures. How will families work within your plan? Minister, I understand that the questions I have posed may be a little technical, but I look forward to your forthright and erudite response.

Ms SAFFIN (Page) (12.53 pm)—I would like to congratulate the minister for including additional funding in the budget for the ABC and SBS. For the ABC it is really important. It is the public broadcaster and it has a very important role to play in public life. I want to talk a
little bit about how that came into play recently in my seat of Page. As everybody knows, we just had floods in my area. The ABC were able to provide that public service to the whole community during the floods, as we saw them do during the Victorian bushfires. They did a remarkable job at that time. So it was good that they got the money in the budget.

The ABC were broadcasting from Lismore, and that is where I live. I went down there and found that the staff were there 24/7. They actually slept there. They had to go out and buy some sleeping bags and pillows and bring in extra food so that they could be on call for the community 24/7. They brought extra staff in. They brought in people who had worked in Lismore before, Martin Corben and others, who are now in the city. They brought them back. They all worked and stayed online. They were able to report every 15 minutes to the community, so they were able to give out the formal reports about the floods. It was the stuff that goes through the filter of the Australian Bureau of Meteorology, so they gave out the real reports. It was a wonderful, wonderful service.

The SES also got the local members—me as the federal member, and the state members—to come on the radio at various times and help them, when we were trying to evacuate the central business district and things like that. They brought us into service as well, and it was really good to see that. I have praised them before in this place, but it is important to talk about them in terms of the budget.

In the lead-up to the budget I had a meeting with the state director of the ABC, Mike McCluskey, who also lived in Lismore for a long time and reported from there. It seems like a lot of the ABC talent that have gone on to bigger and better things started their early working lives in Lismore. I talked to them about the things that they would do if they had extra funding, and some of it is particularly relevant to regional areas, such as all the digital stuff that is going to happen in regional Australia—and I know some of the funding covers that.

Equally, it is important to cover SBS. Again, going back to Lismore and local identities, Craig Foster, whom you might know—he was a Socceroo—

Mr Craig Thomson—Mr Soccer!
Ms SAFFIN—Mr Soccer—comes from Lismore as well. A lot of people come from Lismore! SBS is a really important service—

Mr Albanese interjecting—
Ms SAFFIN—Who, Craig? He is a great man. It is a bit by the by, not on the budget, but I worked with Craig on a local football project. You would see him on SBS at night, when he does the sports reporting. And he emceed our FIFA World Cup bid here on Sunday; we were all there. So that was a good thing. I note that it has bipartisan support, and we will all be out there working towards that.

There was also money in the budget for the National Broadband Network. That is a significant reform for Australia—for our communities, for our regions, for the Australian economy. I have to say that the Leader of the Nationals, the honourable member for Wide Bay, got it wrong on this, as he so often gets it wrong.

Mr Albanese—Again!
Ms SAFFIN—Wrong again. He talked about how it would not cover towns of under 1,000 people; that is absolute nonsense. I put out the correct information when I said that 90 per cent
would have speeds up to 100 megabytes and 10 per cent, 12 megabytes. It is a great plan and it will benefit regional Australia. My question, Minister Albanese, is: why is ABC funding important?

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (12.57 pm)—I thank those who have participated in this process. Once again, we have seen a divide on broadband and the digital economy in this House, with the government members supporting action and the opposition members, after 12 years of inaction, carping and being negative. A number of questions have been raised. I note that the member for Dunkley asked about Infrastructure Australia and its process. Indeed, for the benefit of the opposition, let me quote from Infrastructure Australia’s National infrastructure priorities report:

The importance of an accessible and fast broadband network to Australia’s international competitiveness is almost impossible to overstate.

They went on to say:

Infrastructure Australia supports an investment from the Building Australia Fund to develop the National Broadband Network.

They have a very clear position on the National Broadband Network: they support it. The opposition oppose it, after 18 schemes that failed to deliver.

I was also asked about the Digital Regions Initiative. This is a $60 million initiative, a key element of the government’s response to the regional telecommunications review. It will fund innovative and sustainable projects which improve healthcare, education and emergency services in regional, rural and remote communities. The Digital Regions Initiative will form partnerships with state, territory and local governments to drive delivery in these key services, and implementation of this initiative is indeed on track. The draft guidelines for the initiative were released on Monday of this week as part of the consultation process; the release of the initiative’s final program guidelines and call for applications is scheduled for the second half of 2009.

I was also asked about the coverage of the FTTP network. In order to achieve 90 per cent coverage it is expected that the network will extend to towns with a population of around 1,000 or more. However, the towns with a population of 1,000 figure is not a cut-off figure and has been stated purely to give an idea about how far the FTTP element of the NBN will extend.

On the issue of ISP filtering, the government has established a live pilot. This demonstrates the government’s commitment to consulting with industry and taking an evidence based approach to ISP filtering. The pilot, together with a range of other inputs, will help guide development of policy on ISP filtering. On the question of what the government proposes would be filtered, ‘refused classification’ content includes child pornography, child sexual abuse imagery, bestiality, sexual violence, detailed instruction in crime and material that advocates the doing of a terrorist act—all of which, I am sure every member of this parliament would agree, is inappropriate content. The live pilot is testing potential impacts of different filtering technologies on internet speeds, accuracy of filters, circumvention, costs and customer experiences in a real-world environment.
In terms of the Tasmanian rollout, the Commonwealth has commenced negotiations with the Tasmanian government to expedite the rollout of the NBN in Tasmania. I note the Tasmanian government’s budget announcement of this week that it will contribute $12.7 million in equity to Aurora Energy over three years to support the future operation of the NBN in Tasmania. Indeed, as the shadow minister for broadband, the member for Dunkley, said:

I am calling on Senator Conroy to guarantee the people of Tasmania that they will be among the first in the nation to gain affordable new broadband services ...

They did nothing about it in government, but I am pleased that, in opposition, they are supporting the government’s action in rolling out broadband in Tasmania.

I was also asked about the ABC and SBS by the member for Page. It is pretty clear that the ABC plays a particularly important role in regional Australia. As regional development minister, I certainly acknowledge that. I pay tribute to the ABC for the particularly important role it played in the Victorian bushfires, the Queensland floods and the northern New South Wales floods. The ABC is a great national asset. It is one that we should cherish. It is one that we should acknowledge. It plays a particularly important role in regional Australia.

I thank all those who have participated in the debate today. I have answered what was certainly a range of questions, given that those opposite tended to give five-minute responses with 20 or 30 questions in them. It is impossible—

Mr Billson—Minister, your people did not even stay!

Mr ALBANESE—At least the opposition showed up for this portfolio, unlike for the previous debate on human services, when they did not show up and the Main Committee simply collapsed, which was why it had to be suspended. I commend the appropriation to the House. I congratulate the Minister for Broadband, Communications and the Digital Economy, my colleague and friend Senator Stephen Conroy, for the magnificent job that he has done and the leadership he is showing in his portfolio.

Proposed expenditure agreed to.

Sitting suspended from 1.05 pm to 4.00 pm

Defence Portfolio

Proposed expenditure $22,972,194,000

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (4.00 pm)—I am pleased today to have the opportunity to highlight the priority the Rudd government places on issues of national security, which is clearly evident in 2009-10 defence appropriation bill. As you are aware, the government released a 2009 defence white paper in May this year. This white paper is the most comprehensive defence white paper ever produced by an Australian government. Through these appropriation bills, the government is reforming the way Defence is funded to better align defence funding with the costs of delivering the future force required for the defence of Australia. The new funding model sets in place funding for Defence that will see the white paper fully funded to 2030.

Under the new funding model, the government has reaffirmed its existing commitment to provide an average of three per cent real growth to 2017-18. Additionally, the government is now committing to providing 2.2 per cent real growth from 2018-19 to 2029-30. Provision of such real growth in the defence budget is essential and is consistent with the inherent long...
term cost of defence. In addition, the government has decided to change the basis for indexation of defence funding by moving to a constant annual rate of 2.5 per cent per annum, which accords with the target consumer price inflation agreed by the Australian government and the Reserve Bank. This model for indexation will provide much greater funding certainty for Defence and allow more robust planning for future capability.

The no-win, no-loss arrangements for net additional costs of overseas operations and foreign exchange risks will be continued. This will also help in defence planning and in meeting real defence costs. In quantitative terms, this revised funding model provides Defence with $104.4 billion over the budget year and forward estimates and $308.2 billion over the decade to 2018-19. In total, the new funding model provides Defence with an additional $10.8 billion over the decade to 2018-19 and an additional $146.1 billion over the 21-year period to 2029-30, when compared to the projections of the Updated Economic and Fiscal Outlook. This is truly a great result for the security of our nation.

When considering gross defence funding, the transfer of funding for the Defence Materiel Organisation service fee from the Defence appropriation to the DMO appropriation must be kept in mind. This transfer amounts to $3.2 billion over the budget year and forward estimates and $8.7 billion over the decade to 2018-19. As announced in the white paper, over the past 14 months Defence has undertaken detailed analysis of almost every aspect of the defence enterprise and has developed a comprehensive strategic reform program aimed at increasing efficiency and effectiveness while delivering gross savings of around $20 billion over the decade. The government has agreed that these savings should be reinvested within Defence.

The strategic reform program comprises 15 separate reform streams, some of which will result in direct savings, while others will help keep costs down through better quality planning, cost estimation and control. When combined with further savings initiatives, reprogrammed funds and the new funding from government, Defence will have nearly $45 billion for investment across the decade. These savings will allow the government to invest approximately $30 billion over the decade to deliver stronger military capabilities, to remediate areas where there has not been enough funding in the past and to modernise the defence enterprise backbone, all of which are essential to support the fighting force.

The defence white paper process undertook detailed examination of all major aspects of the defence organisation and revealed areas which had previously been significantly underfunded and require remediation. A key area of remediation is funding of the Defence Capability Plan where additional funding is essential to fill critical equipment and capability gaps. There are also funding shortfalls in areas such as net personnel and operating costs for the operation and sustainment of major equipment which includes fuel, personnel, wages, spare parts, maintenance and facilities upkeep.

Another key area of remediation that will be undertaken by this government will be increased funding for infrastructure. The Defence estate has fallen into a state of disrepair over the last 10 years and this government is taking action to repair the state of infrastructure in Defence. The government is committed to sustainable funding arrangements for the Defence budget to deliver the capability required to meet our nation’s strategic needs. This government’s action to initiate a comprehensive defence white paper—(Time expired)

Mr BALDWIN (Paterson) (4.05 pm)—I was hoping to put questions today to the newly appointed Minister for Defence Personnel, Materiel and Science, who is also the Minister As-
sisting the Minister for Climate Change and Water, but I guess he is just too busy acting out
the other half of his ministerial portfolio to be here. I am rather surprised by the approach of
this government towards defence. We started off this term of government with two ministers
and two parliamentary secretaries. All that has now been reduced to one full-time minister,
half a minister and half a parliamentary secretary. While they might be quite talented people
in their own individual right, this is a huge portfolio. The Parliamentary Secretary for Defence
Support has just outlined some issues that need addressing, and surely those issues need full-
time ministers and personnel applied to them.

I will give a classic example. I point out that the much-heralded defence white paper was
supposed to have been released at least six months ago, before last Christmas. Instead it
dragged on until just before the budget. When the defence white paper was announced, there
was little or no funding detail. In fact, the amount of space attributed in that document to
funding was but a page and a half. It was not until during Senate estimates that a document
called *The strategic reform program: delivering Force 2030* was dropped on the table. From
politicians you would expect attack, but consider this from Mark Thomson from the Aus-
tralian Strategic Policy Institute, who said of the defence white paper and budget papers:
… there is a glaring absence of substantive information on funding, investment and reform.
What I say to this parliamentary secretary, to take back to his portfolio minister, is this: when
are real details going to be released particularly on spending cuts? There has been an allusion
to the need for reform. In fact, so sneaky is this government that, prior to the white paper, they
talked of funding cuts of $10 billion over 10 years. Then, with much sleight of hand—and
take this on board, Parliamentary Secretary for Defence Support—with the white paper they
snuck in another $10 billion. They doubled it overnight to $20 billion worth of cuts over 10
years. That is $2 billion a year or just under 10 per cent a year of budget cuts. So whilst you
talk about growing the budget by three per cent, the fact is you are cutting the budget by
nearly 10 per cent. This is having a grave effect and one can see the stingy way in which that
is being played out.

Perhaps equally as stingy is the ADF gap year, a program that was introduced with 700
start-up places to go up to 1,000 places, but they did not reduce it back to 700 places; in the
forward estimates for 2009-10 you see 600 places will be available. Not only has your gov-
ernment destroyed the gap year aspect through the other side, through the youth allowance
changes; your government has cut the ADF gap year program back and actually destroyed
perhaps one of the greatest recruiting tools that was ever designed to give young people an
opportunity to experience being in the Australian Defence Force and then to make a conscious
decision as to where they wanted to commit the next few years of their life. According to an
email that we have received from within Defence, you have also cut back 1,000 full-time Aus-
tralian Defence Force Reserves personnel. These are people who enlisted in the Defence
Force Reserves and were seconded to full-time placement to carry out jobs. But your govern-
ment has decided you are going to cut 1,000 people from the full-time active reserves. That is
a disgrace. At a time when we have the greatest pace of operational tempo Australia has ever
seen, with fighting on more fronts than ever before, your government is cutting back the
number of people in uniform doing essential jobs.

If those jobs disappear from the reserves, who is going to step up and do them? Are you go-
ing to take people away from the sharp end? You must realise as a former serviceman that the
people on the front line need these support positions to do what they do. It is a holistic team effort. Cutting a thousand people out of the logistic supply chain is going to have a massive impact. It is short-sightedness. It is being tight with the wallet. You talk up a three per cent real increase at a time when you are cutting the budget by over 10 per cent. This document, *The strategic reform program 2009: delivering force 2030*, is so short on detail that not even ASPI can properly assess what is in there. *(Time expired)*

**The DEPUTY SPEAKER (Dr MJ Washer)**—Before calling the Parliamentary Secretary for Defence Support, it would assist the chair that, if you seek the call to continue—and, again, the time is fairly flexible—the people in the other party acknowledge that and vice versa.

**Dr Kelly** (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) *(4.10 pm)*—I would like to highlight that the government is committed to sustainable funding arrangements for the defence budget to deliver the capability required to meet our nation’s strategic needs. This government’s action to initiate a comprehensive defence white paper soon after its election, the institution of the Strategic Reform Program in defence and the reforms to the defence budget presented in these appropriation bills will ensure that Australia gets the best Defence Force our money can buy and improved value for the taxpayer over the long term. I was not sure if there was a question in the honourable member’s comments.

**Mr Baldwin** (Paterson) *(4.11 pm)*—I seek to intervene to ask a question. That question was allowable under the standing orders under the previous government in the Main Committee. I put this question clearly to the parliamentary secretary: you talk about three per cent real growth, yet you are cutting the budget by $20 billion over 10 years, which is the equivalent of 10 per cent. How are you going to sustain our military?

**Ms Hall**—Mr Deputy Speaker, I raise a point of order. This is still another speech. If the member cannot ask the parliamentary secretary a question, he should sit down.

**Mr Baldwin**—There was a question. You should get the wax out of your ears so you can hear the question. Sit down.

**Ms Hall**—Mr Deputy Speaker, I think that the member opposite is—

**Mr Baldwin**—You are chewing up time.

**Ms Hall**—No, I am not. The member opposite is being totally disrespectful. I ask him to withdraw his comments.

**The DEPUTY SPEAKER**—To assist the chair, would the member for Paterson withdraw the comment?

**Mr Baldwin**—From her comment she did not hear the question I asked the first time, so how would she have possibly heard the statement I made.

**The DEPUTY SPEAKER**—It would help if you would withdraw.

**Mr Baldwin**—I withdraw, considering she is chewing up the parliamentary secretary’s time.

**Ms Hall**—No, he can jump up and speak as many times as he likes.

**Dr Kelly** (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) *(4.12 pm)*—Hopefully, we will return to some decorum. I would just
like to highlight that the honourable member has completely misrepresented and misunderstood, in fact, the nature of the budgetary process that we have created to deliver the great Defence Force that we seek to defend this country going forward, after finding so much to do in remediation with the mess that was left to us by the previous government. In my area of the defence estate, $200 million a year was ripped out of the maintenance of the defence estate, and this has accelerated the problem that we now have in redressing that. It will now require $30 billion to deal with remediation.

The new funding model that has been put in place which we have been completely open about does actually deliver what will be required for this Defence Force. That includes the three per cent real growth rate out to 2017-18, the 2.2 per cent real growth rate that will take place from there out to 2030, and the 2.5 per cent indexation mechanism, which will come into effect from this financial year. Of course, added to that will be a reinvestment of the savings that will be achieved under the Strategic Reform Program—the $20 billion savings, every cent of which will be reinvested in the defence program. In addition to that, there will be the other less salient features of the new funding model, which relate to the efficiency gains, the no-win no-loss arrangements and the reprogramming of certain funding. So the mechanisms are all in place. The areas for savings have been identified well and truly as a consequence of the budget audit that was entered into and the Pappas and the Mortimer reviews. These have clearly identified areas within Defence where the savings will be achieved. We have been completely open about that. The Defence leadership is completely confident we will achieve those savings. The capabilities that we have outlined in the white paper, the most significant improvement in capability in the Defence Force’s history, will be delivered through this process. That process will take place over the period out to 2030. It will not happen overnight. But, certainly, we have delivered the mechanisms that will achieve that result for this country.

Mr NEUMANN (Blair) (4.15 pm)—I am going to ask a question to the Parliamentary Secretary for Defence Support about a big military establishment at Amberley, in my electorate. Probably one of the best purchases that the Australian government ever made in terms of our defence was the purchase of the land at Amberley in the 1930s, where a base was created for the Royal Australian Air Force. For decades the F111s have been based at Amberley. The ‘Flying Pigs’, as they are affectionately called, are wonderfully welcomed in our electorate. In fact, my wife’s favourite baseball cap is the F111 baseball cap. She wears it all the time. We have had a number of different aircraft based at Amberley. The Canberras were there, as were a number of other kinds of aircraft. Recently we have had the announcement that the Super Hornets are coming to Ipswich. The Super Hornets are a great addition and we look forward to them arriving. The RAAF base at Amberley is becoming a superbase. We call it ‘a super-base for a supercity’—Ipswich. That is not my catchphrase; that is the catchphrase of the mayor, Paul Pisasale, and I have adopted it.

I really welcome also, Parliamentary Secretary, the community liaison committee which has been established by the base commanding officers, with the Ipswich City Council and the local community. For a long time, whilst the local community had great affection and love for the base and what was going on at the base, that was not quite requited, if I can put it like that. The information about what was happening at the RAAF base did not flow from the base to
the local community. So I know the local community is warmly appreciative of that commit-
tee being set up.

We are about to see the relocation of the Amberley State School to Yamanto. The govern-
ment has given $26.83 million to the state government of Queensland for that relocation and
another $2 million for that particular place at Yamanto and the aerospace park which is part of
the state development attached to it. So it is an area that is really growing and going ahead.

I was very pleased to see 9FSB at Timothy Maloney Park in Ipswich on Anzac Day. They
were warmly applauded by the people of Ipswich. It was great to see them. They are part of
our community. They worship in our churches. They attend our schools and shop in our shopping
centres. We welcome the RAAF personnel and also the Army personnel who are now
based at Amberley.

My question relates to the redevelopment of the base at Amberley. It has been redeveloped
across a number of years and over a number of stages. You can see at the moment that the
RAAF base at Amberley is a bit like a construction site. I know you have been there, Parlia-
mentary Secretary. You were there when we had the air show. There were about 100,000 peo-
ple there, and that is an indication of just what the local community feels about the military
personnel and the RAAF base at Amberley. But I really want to know what the budget means
for the redevelopment. How is it going? How is the construction going? Where is it up to?
When is it likely to be completed? What does it mean for the local community? Are other
Army units going to be brought to Ipswich or not? I am very interested to know. The local
mayor, Paul Pisasale, whom you have met on a number of occasions, Parliamentary Secretary,
is keen to get this information as well. We think it is important that this information be dis-
seminated in the electorate of Blair and particularly in Ipswich and the rural areas just outside.
So I look forward to hearing what you have to say.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamen-
tary Secretary for Water) (4.18 pm)—I thank the honourable member for his question. I am
well aware of the honourable member’s interest in the defence base at Amberley, not just in
relation to the economic benefits that it brings to the region. He has had a keen interest in the
welfare of the defence personnel on that base. He is acutely interested in the issues to do with
the support of defence families and community interaction with that base. It has been a great
pleasure working with the member for Blair, attending the base and meeting the Ipswich City
Council. I must commend it as a fantastic council with a tremendous spirit of cooperation and
an understanding of the benefits to be had from a good, sound relationship with its defence
base. I know the member for Herbert will have had experiences similar to that in relation to
Lavarack Barracks and the defence facilities in Townsville, where there is a similar fantastic
attitude from the community towards the base.

This coming financial year the government will invest around $200 million in upgrading
facilities and infrastructure at RAAF Base Amberley. Since 2005 the government has commit-
ted around $1 billion in capital works funding to support the long-term operation of the base.
That is both this and the previous government. RAAF Base Amberley is the largest opera-
tional RAAF base in the country and it has a significant capacity to support air operations and
considerable space to accommodate the expansion in Australian Defence Force activities. The
current program of capital works includes improvements to the working and living accommo-
dation for ADF personnel and new facilities linked to the government’s Enhanced Land Force
initiative. The works at RAAF Base Amberley also include new facilities to support the introduction into service of the C17 Globemaster III aircraft, a fantastic capability for the ADF, and the FA18F Super Hornet. Amberley will also include facilities for additional RAAF airfield defence guards and the Army’s 21st Construction Squadron and 9FSB.

During 2009-10 the construction workforce at RAAF Amberley is expected to range between 500 and 1,000 people. I think members would agree that that is an extremely significant impact on the local economy and, particularly during this time of economic challenge, these will be welcome jobs indeed. The government’s capital works investment at RAAF Base Amberley will be a great boost for South-East Queensland’s economy by providing job opportunities for subcontractors and suppliers, and the government is looking forward to our service personnel working in a more efficient, more effective facility which will enable a higher degree of capability and enhanced working conditions.

I might also say that our defence members prize and value their posting to Amberley. It is seen as one of the more attractive locations and for that reason alone it plays an important part in our long-term strategy in recruitment and retention as a base that will feature large in the concept of the superbase with the concentration of assets. So certainly it has a longstanding and permanent future in the position, the posture, the structure of this Defence organisation, and the welcoming attitude of the council and the community has made that an even smoother process and a prospect for future cooperation which is only full of promise. I commend the member on his liaison between the community, the base and the council and look forward to a number of years of good cooperation with him and the community.

Mr LINDSAY (Herbert) (4.22 pm)—I have four questions for the Parliamentary Secretary for Defence Support, but first I would like to pay tribute to the men and women of the ADF in the garrison city of Townsville. It will not surprise you that I would want to do that, and we are mighty proud of our people and what they do for our country. Parliamentary Secretary, you were referring to Amberley—and the member for Blair may be interested in this question. This week an issue surfaced in Adelaide where Jetstar were on the public record as saying that the landing charges at Adelaide Airport were the highest in the country, and it was mentioned as well that they wanted access to RAAF Edinburgh and Amberley.

As you know, there are a number of military airfields that are used already by commercial operations but only in locations where there is no alternative airfield. What is the government’s view on commercial access to Amberley or Adelaide? In an attempt to assist the parliamentary secretary, particularly with those two airports which are very important operationally to the Defence Force, I for one find myself quite opposed to allowing the Defence Force to be used as a mechanism by a commercial operator to reduce landing charges at another airport, and that is effectively what it is. When you allow commercial operations into major military bases you get competition for who should be able to land. The commercials want priority, they break curfews and it becomes an entirely unsatisfactory situation. You get the situation, too, where there are very sensitive operations going on in these places.

Parliamentary Secretary, does the government have a view on that? The white paper, the centrepiece of the 2009 defence budget, identifies $245 billion of new capability, as you are aware. Can you please advise me of the break-up of this commitment? On the rationalisation of the defence estate, which is mentioned in the budget, what criteria are being used to iden-
tify which property should be disposed of? What properties, if any, have been identified? What is the time frame for disposal?

Parliamentary Secretary—and this is something a little out of Army’s purview—the current submarine fleet is not being used to its full capability, as we all know. On a very good day, Navy probably has two out of its six submarines at sea to help defend Australia and its interests. The numbers of unit ready days for the submarine fleet has fallen by a worrying 17 per cent this year alone. HMAS Sheean and HMAS Rankin are in full docking cycle all year, and HMAS Dechaineux was completing a full docking cycle late in the year. Of the others, Collins will be tied up in a training role from late 2009 and the remaining two, Farncomb and Waller, are scheduled for short maintenance periods in the coming year. The budget papers are optimistically claiming that the unit ready days will rise in 2009-10 to 916 but they will then decline by 10 per cent the following year and by a staggering 20 per cent in 2011-12. My question is: what does the government plan to do about this dramatic decline in submarine capability, particularly in light of the fact that the white paper has outlined, in very general terms, plans for 12 new submarines by 2030?

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (4.26 pm)—I thank the honourable member for his questions; I acknowledge his support over the years for our defence personnel, his keen interest in security and defence matters and his relationship with our personnel and their bases in Townsville. Firstly, turning to the air aspect and issues relating to bases at Amberley, Edinburgh and other places within Australia where there is the issue of sharing facilities with civil aviation, it is the priority of Defence that our operational requirements and needs take priority. Sometimes there is an interest and a possibility to balance those needs with civil aviation, as we do, for example, in Williamtown, which is a combined military-civil terminal. But we have, as the member for Paterson knows, worked out arrangements in Williamtown over the years that meet the needs of both requirements. But the overriding necessity, concern and determinant for decisions will be the operational requirements of the ADF. We have a generation of new airframes coming forward now. We will be working out the balance across the nation in terms of where they are based and how they are supported. All of our decisions will be put in the context of the support of those new airframes.

In relation to the estate criteria, I can tell the member that we settled on five strategic principles to determine the future of the defence estate. We are actually running up against some critical decisions in some respects because of the underinvestment in infrastructure over the years. Those five strategic principles are clear. Firstly, we intend to align our defence estate with a strategic posture in relation to supporting our national operations and prudent posturing for contingencies. The second principle relates to aligning the defence estate in relation to structural and functional commands, the joint and single service unit structures, for a more efficient alignment of our personnel, our units and our organisation and perhaps relating to a greater concentration of those to support other issues. Thirdly, we wish to align the estate to better relate to our infrastructure and defence industry support to achieve efficiencies and synergies in that respect. The fourth strategic principle, which is very important and features on my agenda, is that the estate should also complement defence family issues. That is, it should be focused on delivering family friendly outcomes to our personnel to aid in recruitment and retention. The final strategic principle is that the defence estate should support a regional base.

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for encouraging and retaining our reserve personnel, which is a matter very important to me. I am in fact continuing as a reservist myself. The reserve capability will only increase in importance as we go forward, so part of the posturing of our defence estate will relate to that.

The issue we face with crewing submarines is a very important and challenging issue, as is the maintenance of those submarines. It is correct that we intend to drive forward to acquire 12 submarines, which will obviously be a high-end capability and will require a creative approach to crewing. That is very well understood. The current Chief of Navy is pursuing creative new solutions for crewing submarines which relate not only to pay and conditions but also to the lifestyle of submariners, which is a key issue—ensuring they are not overloaded and overstressed and that there are sufficient numbers associated with the crewing of a vessel to ensure that it can remain operational at all times.

In relation to the capability that $245 billion will deliver for us, I think that is well spelled out. You can see in the white paper material and subsequent discussion what will be delivered. That is across the range of our three services in terms of greater firepower and integrated intelligence, surveillance and reconnaissance for the Army, more protective vehicles, investment in supporting and protecting our personnel in all of the naval capabilities that we have outlined, and in the superb airframes that we will be acquiring in relation to AWACS, in relation to the fighter capability support for our troops and in air transport and airlift. It is all laid out there in some detail.

Mr BALDWIN (Paterson) (4.31 pm)—There are three points that I wish to raise with the parliamentary secretary right now. The first and foremost relates to defence superannuation. On 21 December 2007 the then Minister for Defence Science and Personnel, Warren Snowdon, released the report of the Review into Military Superannuation Arrangements. The tabling of that document left open a period through till March for comments, and that period has closed. It is over 18 months since the tabling of that document, and we have not heard a word from this government about the superannuation being lifted. That is despite colleagues on your side, when in opposition, making many claims that things should be done. So I would like you to answer the question: when will the government provide a response to the Review into Military Superannuation Arrangements report?

Secondly, prior to the 2007 election your government, then in opposition, made a commitment to develop 12 defence family healthcare clinics. These 12 clinics were to provide doctors, nurses, dentists and dental assistants for the provision of free health care to the family members of serving defence persons. That was abandoned as a promise, and your government went to the proposal just to provide a gap payment fee for the GP if there was an out-of-pocket expense and a $300 voucher for dental care for dependent family members. The question that I have for you, given that you have restructured this program—and I know you are familiar with Singleton and Williamtown—is this: why, if you live in housing in Maitland, as many of the people from Williamtown and Singleton do, and you are posted to Singleton, do you get the GP gap benefit and the $300 voucher, but if you live in housing in Maitland and you are posted to Williamtown, you do not? Why, when people are living next door to each other—and there is an actual case of this, because the people came to see me—does one get the payment and the other not, when it is to support regional areas where it is hard to get access to these facilities? That is where you have anomalies in the system. Given that you are providing, in essence, only a $300 voucher and, where the doctors do not bulk-bill, a gap
payment top-up, why aren’t you providing that to all ADF members instead of just to a select few? They are the questions that are being asked of me by people in the Defence Force.

Another issue I would like to raise with you—and I know you have seen active service; that is one of the things I respect about you—is that, in my visits to the SAS and, recently, to the Special Forces at Holsworthy, much was made of a program called the rapid acquisition program. Two issues in particular were raised. The first was the short 10-inch barrels for close-quarters urban warfare engagement. The second was a new variant of the night vision goggles that can be operated with one hand. The current night vision goggles have the battery pack mounted in the front and they require two hands to lift them up so that personnel can see what is going on in a lit situation. That means they do not have one hand on their weapon at all times—you would be aware of that. Yet they have had a request in to replace these goggles, which I understand are some 15 years old, with a new version which can be adjusted with one hand and which has the weight balanced in the helmet such that the batteries are at the back and the goggles are at the front.

Given that these were asked for after rotation 3 in 2007, how long does a rapid acquisition program actually take to bring about procurement, particularly when these are our people on the front line in a combat situation putting their lives on the line in the pursuit of freedoms and democracies? Why is this government not providing much-needed equipment which in dollar terms is relatively inexpensive and yet is designated as part of a rapid acquisition program? I would like you to answer those three specific questions.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (4.36 pm)—It is great that we have now progressed to questions, but I do think it is incredibly hypocritical to ask a question about military superannuation when it was the previous government that concealed the report on military superannuation and would not release it to the public. It took the Rudd government to take that step of being transparent and open about it and release that report. With superannuation, we are confronted with the fact that it does not occur in isolation. There are a whole raft of issues associated with this, including our general revenue situation, which I know that members on this side of the House and the general public are aware of. Apparently members on the other side of the House are completely unaware of the fact that there is a global financial crisis. There is the general revenue situation to consider, but there are also issues to do with the overall reviews that are underway in the general superannuation and taxation portfolio as to how we can better support our personnel in this respect. That work is proceeding. There will be steps taken and those steps will be announced in due course.

In relation to the healthcare initiative, I am very proud of what this government has done. It has been a top priority for us to deal with the issues of supporting defence families. We understand that you recruit soldier, sailor and airman but you retain the family. I was delighted to bring ideas to the table when I joined the Rudd team in this respect, and one of those ideas was to do something about better health support for defence families, particularly in regional and remote areas. It is not an easy thing to deliver on, however. There is the issue of balancing the costs required and dealing with health workforce issues in those areas and making sure that we can do it sustainably. The overall objective, of course, was to deliver free health care to defence family members. We have allocated $44.5 million in the budget for that purpose. But we need to come to the right solution—one that actually delivers an effective result for
defence families. Therefore, it is essential that we run through a trial process in order to achieve that. That is what is underway at present. Certain locations, which include places like Karratha, East Sale et cetera have been identified for phase 1. In phase 2 we will broaden that to locations such as Townsville, Puckapunyal and Darwin. That will bring the numbers of the defence persons that we are talking about here up to over 13,000. This is a fantastic initiative. It needs to be worked through properly. Those trials are underway. Certainly nothing was ever done in this respect in the 12 years of the opposition’s time in government. I do not know what alternative policies they ever considered or intended to propose, but we are delivering.

The last question the member raised relates to rapid acquisition. Certainly we have in place, as the previous government did, a rapid acquisition process. There is extra funding for operational commitments, which is done on a no win, no loss basis, so there is always flexibility to support operational demands. I am well aware of how that process works. It continues to work. It continues to be dependent upon advice provided by the chain of command. Where there are requirements for our field personnel, we will not stint in support of those personnel. We have inherited a situation, of course, where there are some blind spots—and I will not go into those in this forum—that we are attempting to redress at present. But we rely on the chain of command to provide advice in relation to those operational requirements and we will support those requests and demands.

Mr NEUMANN (Blair) (4.41 pm)—Along with the member for Herbert, I would have one of the largest communities of Australian Defence personnel and veterans in Blair in Queensland. A number of my constituents have approached me to discuss the white paper, which was released on 2 May 2009. I commend the government for the white paper. I had a look at it and thought it was a very good proposal with respect to both Force 2030 and challenges in the future. A number of my constituents have talked to me about a number of issues. I know that both this side of the House and the coalition have supported, historically, our American alliance. In fact, since Curtin in 1941 we have turned our eyes to the Americans, particularly during the darkest days of the war when Japan was threatening our national security and sovereignty. A number of my constituents have raised the future role of Australia with the United States that arose out of the white paper. I would like you to comment on where you see the government going with our relationship with the US.

Secondly, I raise the challenges in the Asia-Pacific region, particularly concerning our involvement in Timor and in the Solomon Islands with the RAMSI project. It is a great arc of instability. Australia has taken on a more regional focus, particularly in the Solomon Islands and Papua New Guinea—which has also had a degree of political instability over a number of years. Timor has cost us a lot of money, and we are in there for the long haul and are committed to ensuring it remains a viable sovereign state. But Timor is, of course, a challenge to us. A number of my constituents have raised the challenges and where we see ourselves going in the Asia-Pacific region, particularly that arc of instability that a number of military and political commentators have talked about.

The third issue is the future funding and the model we have got. I know the Prime Minister has talked about that model and our future funding. We are talking about 2030, which is a long time away. We are talking about long-term planning in a way that governments in the past have not talked about it. My constituents are very keen. There has been a lot of commentary in my local newspapers, especially in the Queensland Times, on the future of RAAF Base

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Amberley in the context of the white paper. Perhaps the fourth question is the future of RAAF Base Amberley in the context of the white paper.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (4.42 pm)—I thank the member for Blair for his questions. I am very pleased to comment on the relationship of this government with the United States and the future of the US alliance. As many know, I have served in many operations with the Australian Army in my 20-year career. On many of those occasions I was shoulder to shoulder with my United States brothers and sisters. It was a privilege to serve with the United States Marines in Somalia and it was a privilege to serve when I was actually embedded in US organisations in my year in Iraq in particular. I pay tribute to the sacrifices and efforts of my brothers and sisters in the United States armed forces. There are many great friends and colleagues that are no longer with us, and I would like to pay tribute to their particular memory on this occasion.

It certainly is a central pillar of this government’s security policy going forward that the United States alliance will remain central to that policy. We are now seeing great possibilities in the changes of approach by the current US administration which will enhance that relationship and the effectiveness of our mutual strategic and security policies. From a practical point of view, the Defence Force works very closely with our US colleagues on very many levels. There are constant exchanges in not only what are known as the AUSMIN talks but also at every level throughout the Defence organisation. There are constant exchanges and dealings, exchange postings and, of course, there is the standardisation of a lot of our procedures through the ABCA—America, Britain, Canada and Australia—program. The exchanges also relate to the way we engage in procurement. When we do our procurement processes, and in the analysis that we entered into in the white paper, we had an eye to the interoperability aspects of that procurement process and how we would mesh in future circumstances or even current operations and engagements with our US allies.

I will be delighted to attend on Friday evening the celebration of the 234th birthday of the United States Army. We intend to continue the depth and the quality of that relationship. That relationship goes beyond any one Australian or US administration; it is based and founded in mutual and deeply held values and beliefs that will not be shaken. We have served shoulder to shoulder throughout history—that includes me and many other Australians as well as many of our forebears. In relation to the regional focus, you have highlighted a key challenge that we face in helping maintain stabilisation in the region. The white paper focused on this as an aspect of the demands on the Defence Force.

It was a great pleasure of mine to introduce and establish the Asia Pacific Civil-Military Centre of Excellence in Queanbeyan, which will be focused in particular on how we can mesh all the activities and capabilities of all the agencies of the Australian government and, indeed, Australia as a whole, to achieve greater stability within the region. That centre has been doing effective work. It is up and running and engaging very well within the Asia-Pacific region. We understand that there is a very important role for us to play in maintaining stability in the region, from all sorts of mutual interest points of view. We are investing a great deal of effort in that respect.

Regarding future funding, I have outlined the new funding model that we intend to use to deliver not only the $20 billion in savings but also the $104 billion across the estimates and $318 billion across the decade. In relation to the specific areas of savings, perhaps I can high-
light those. Those relate to what we call smart maintenance. We think we can achieve a large degree of savings there, through non-equipment procurement areas and workforce areas—in particular, through cutting back on the use of consultants, which is a point of contention I am glad to see we are resolving. Information and communication technology is another area where a great deal of savings is to be made in relation to inventory and logistics management in general and in many other areas that have been identified in Defence.

The leadership in Defence and the government are confident that those savings will be delivered. We will remain closely engaged with the strategic reform program, and there will be dedicated focus on that within the portfolio offices to make sure that those savings are delivered. In relation to Amberley, I have to say that it has a secure future. We are relocating many assets to Amberley. We mentioned 9th Force Support Battalion, and I had the privilege to be at the opening of Vung Tau Lines. In relation to the relocation of the 21st Construction Squadron and certainly—(Time expired)

Mr LINDSAY (Herbert) (4.48 pm)—You will be aware of the Auditor-General’s report into the Army Reserve forces that was released just four days before the budget. Given the personnel shortfalls and deficiencies exposed in the audit, it appears that the budget’s projected manning figures for the Army Reserve are not realistic. Despite clear indications that the reserves are awash with manning problems, the budget is projecting a doubling of the High Readiness Reserve in the next 12 months. These targets cannot be taken seriously. The HRR target is about 30 per cent or 200 personnel short in this current year. Even more worrying is that the audit suggests that less than half the personnel in four key ranks—including private, lance corporal and sergeant—are not adequately trained. Defence data indicates that around 20 per cent of Army Reserve soldiers are not even attending basic training evenings. I do not want to take up the time of the Minister for Veterans’ Affairs, but I would just like to ask you: how does the government expect to achieve the budgetary targets that were in this year’s budget, given that the Auditor-General’s report indicated serious problems of manning in the Army Reserve?

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (4.49 pm)—I thank the member for his question. It is an important question. Reserves are going to be an essential part of the capability of this Defence Force in many ways that are perhaps non-traditional as well as traditional. One of the things that concerns me about our reserves is that nowhere in the organisation had we mapped the civilian skills that exist in our reserve pool personnel. We would not know, for example, what particular civil occupation a reserve member had. In the challenging circumstances we operate in these days we have multidimensional, complex environments in which the civilian skills that our reserves could bring to bear would be highly desirable and sought after. I have directed the department to enter into a process of mapping those civilian skills. I know that one of the things that drives interest and involvement in the reserves is the possibility for deployment, for using their skills and for doing their bit. We have certainly noted the impact of Operation Anode in the Solomons. It has had a tremendously positive effect on encouraging the retention and involvement of reserve personnel, and they have done a superb job in the Solomons in Operation Anode, as have many other reservists who have contributed as individuals or as what we call ‘brick capabilities’ to many of our other operations.
It is a determination to provide them with more opportunities in that respect. I know it is often said that a reservist only signs up to get away from his or her day job, but if you offer them the possibility of a deployment using those skills it is a different equation. We will be pushing forward in that respect, and I believe that will encourage participation and recruitment in the reserves. There is a whole raft of other measures that we intend to take in that respect, and I have been engaging closely with the VCDF and his staff on the future of our reserves. It is part of my portfolio responsibilities. That involves an analysis that will now look through what sort of capabilities we should park within the reserves, because we have a great challenge these days with the technology that we require. It involves a high degree of training and preparation to be able to operate those systems. Even artillery these days, with systems like the Excalibur round, require a high degree of expertise, so there will be a reorientation of the capabilities that we park in the reserves about the expectations in roles we have for them.

I think that when we move through that we will also introduce greater flexibility in the way careers are managed. I am very keen on this aspect because I see that as one major impediment. What we need is a thoroughly integrated Defence Force. In the Army we really need to make great progress in making sure that takes place with a seamless transition in and out of reserve careers and permanent careers. I think that in itself will encourage greater reserve participation, but that analysis is ongoing at the present time. I am not at all going to say here that this is not going to be a challenge—because it will be a challenge, across the board, in relation to our recruitment and retention issues into the future—but the work is underway and I am confident that we will deliver a satisfying and rewarding career for reservists. I look forward to ensuring that the structure is there to make sure that happens.

The DEPUTY SPEAKER (Dr MJ Washer)—The Committee will now consider the Veterans’ Affairs area of the portfolio in accordance with the agreed order of consideration.

Mrs MARKUS (Greenway) (4.53 pm)—I have several questions to pose to the minister today. One relates to the $15 million supplementary funding, the second to the special purpose payments. I understand that in 2007-08 the Department of Veterans’ Affairs ran $30 million over budget. The cash reserves were used to make up that shortfall. In 2008-09 the department again suffered a loss, though not as great, and the department asked for and received an appropriation of $15 million due to the implementation of a number of one-off business improvement projects, appropriation revenue declines flowing from DVA’s resourcing agreement and other government decisions. What were the other government decisions referred to in the portfolio budget statement that contributed to the need for the supplementary funding? Could the minister guarantee that the budget overruns in 2007-08 and 2008-09 were not impacted by the fulfilling of Labor’s election promises and, in addition, guarantee that the strategies implemented to resolve the shortfalls in 2007-08 and 2008-09 did not impact on delivery of services to the veteran community?

Related again to $15 million in 2008-09, the department asked for and received the $15 million on the basis that the department balance the budget in 2009-10. What measures have been put in place to ensure that there is no budget overrun and that the budget will be balanced in 2009-10? Could the minister guarantee that the moratorium on IT development, the recruitment freeze and the reduced staff levels will not impact again on the delivery of services to the community?
In relation to the special purpose payments, my understanding is that under the COAG agreement special purpose payments will now be made by Treasury to state and territory treasuries. I understand special purpose payments will be measured against defined benchmarks. Could the minister clarify what those benchmarks are? In relation to the special purpose payments, the budget papers say:

So long as States meet these benchmarks, they have full budget flexibility to allocate funds within that sector as they see fit to achieve the mutually-agreed objectives for that sector.

Could the minister guarantee that this major change to the funding arrangements will ensure that every dollar allocated for veterans programs and services will be spent on veterans programs and services and not appropriated for state based policies or go to general revenue?

**Mr Griffin** (Bruce—Minister for Veterans’ Affairs) (4.56 pm)—The shadow minister may need to reiterate aspects of her questions to me if I missed them on the way through, because of some of the specifics that have been raised. I think what we are also hitting on, on occasion, is a little bit of terminology confusion around what we are actually dealing with across both Treasury and DVA. That is not an unusual thing, and I mean nothing by saying that, other than sometimes it is a bit confusing to know exactly what we are talking about in those circumstances.

I make some basic points first which relate to aspects of what the shadow minister has raised. There is no doubt that the department has faced in recent years a challenging budgetary environment from an administrative point of view. That has predominantly been driven by a couple of things. Firstly, we are seeing a drop over time in the number of clients that the department has—that is, the passing on of an increasing number of our World War II generation, who served this country so well in its time of need. That is having impacts around the question of the number of clients that the department has responsibility for and also the nature of what issues those clients face. What that has led to—and this was a process commenced well and truly under the previous government—is a need to look at the nature of the way services are delivered and how we cut our cloth to ensure that what is required from the veteran and ex-service community is provided for from the department’s point of view.

What I can say is the previous government and this government, certainly in this area, share a number of priorities. One is to ensure that the needs of the clients—veterans, war widows and the ex-service community—that we look after are paramount. I can certainly say that the issue of impacts on services has been a priority for us and it has been a priority for the previous government to try and ensure that there is no impact on services. However, that has not meant that there has not been an impact on the nature of the way services are delivered, and this commenced under the previous government. It was a process which was in line through an administrative organisation of the department called oneDVA, which led to, in some instances, consolidation of particular services at locations. Some comments which the previous shadow minister had raised around services in Tasmania and the ACT were actually decisions effectively taken under a process commenced by the previous government and were the logical conclusion of the process put in place by the previous government. What we can say, though, is that there will be no impact on services to veterans but there will be changes in the way services are delivered.

I should also point out the basis of a large component of the financial issues the department finds itself in. Part of this relates to a resourcing agreement negotiated under the previous
government between DVA and Finance, a resourcing agreement which effectively—it is quite complex—tied the formula of funding to the number of eligible clients of the department and had a process by which funding was then to be utilised for administration of the department to provide for those clients. The problem with that particular funding agreement is that it was stacked against a proper consideration of issues within the veteran portfolio. It made it harder and harder each year to deal with the needs of the ex-service community within the veteran portfolio. Effectively, with a drop-off of World War II generation veterans, it constrained the amount of money provided by the central agencies to assist DVA to deal with administrative issues.

When I became minister, I inherited a situation where dramatic decisions needed to be made around ensuring that we administered the department. I will be frank: if the department had, in my view, been a private company, what I inherited would have been something where the receivers would have been called in. There were real issues. We have been grappling with those over the past 18 months. I think the department has done a fantastic job in addressing those issues and getting it onto an even keel. There is absolutely no doubt that we have been dealing with something which should have been addressed at an earlier stage than what it was under the previous government. On the issue of special purpose payments and the circumstances around the question of service delivery through states, the basic point various—(Extension of time granted)

With respect to SPPs and service level standards, although the shadow minister mentioned the issue around the agreements between Treasuries, I am advised that the bottom line on service delivery is that there has not been a change. The circumstances are that we negotiate standards and agreements with states around the question of delivery of services. Those agreements will continue to be maintained and monitored from a federal perspective to ensure that the states provide the services required under the agreements. That will, of course, be an issue of ongoing tension between governments. We want to make sure not only that we get value for the dollars we spend on behalf of taxpayers to provide services but also that the people get the services they deserve and are entitled to receive. We will continue to be vigilant and to work with the states to make sure that the communities we serve get a fair deal in future.

Mr NEUMANN (Blair) (5.03 pm)—I want to ask the minister a question in relation to the deseal-reseal program. For decades we had RAAF personnel exposed to a range of chemicals and solvents when replacing sealants in fuel tanks in the F111s. About 700 RAAF personnel, as were a number of other civilians, were exposed to chemicals and solvents. Many of those people live in my electorate and many live in South-East Queensland. Before I was elected and since I have been elected I have attended the support group which has arisen as a result of concern that people have become ill or died or been injured as a result of exposure. People’s families—their wives, their partners, their children—have also become ill as a result. It is a very serious matter in my electorate. There has been much media and community comment in relation to it. In 2007, when the shadow minister came to Ipswich in my electorate, he announced that there would be a parliamentary inquiry should the Labor Party win government in November 2007.

I thank the minister for initiating that parliamentary inquiry. I understand that the Hon. Arch Bevis, the member for Brisbane, is chairing the inquiry. The terms of reference of course
relate to the previous government’s response, particularly to the eligibility of people who received ex gratia payments. I will be honest here: the payments seem to be quite arbitrary. They relate to duration of exposure. Also, they do not seem to be in any way involved in providing genuine compensation to those personnel. I think they were given by the previous government to simply shut these people up.

I applaud the minister for making the terms of reference of the inquiry so wide that they look at not just the previous government’s response to eligibility and compensation but also whether the response was consistent with what is known as SHOAMP—the Study of Health Outcomes in Aircraft Maintenance Personnel. This is an extremely serious issue for my constituents. I would like to know where we are up to in terms of the government’s response. Where is the parliamentary inquiry up to? And when can my constituents and those people in South-East Queensland who are concerned about this issue expect a response?

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (5.05 pm)—I acknowledge a former Minister for Veterans’ Affairs in the chamber, and I wish her all the very best. Very briefly, to the member for Blair’s comments, I acknowledge his interest over some years in these issues. It is a complex area and one that involves a good deal of personal tragedy, as you find out when you talk to some of the families and individuals involved.

I cannot speculate on the parliamentary inquiry in terms of its findings. We expect that there will be a result in the near future, and the government will have to consider how it will address any of the recommendations that come out of that inquiry. I await that development. But I want to assure the member that any recommendations that are made will be treated very seriously.

There is certainly no doubt that these issues have been difficult for governments to handle over many years; and, frankly, there are some outstanding issues. The previous government developed a scheme around ex gratia payments, which has been heavily criticised by a number of people and organisations who have had to live with the aftermath of these conditions. It has certainly been a complex and difficult approach and also quite an arbitrary one, as the member for Blair said.

The member for Blair is also correct in saying that, as shadow minister, I committed to a parliamentary inquiry. That inquiry is about to be completed. I also note that it was an inquiry which the then Minister for Veterans’ Affairs refused to commit to. He was asked, just after I was, the same question about an inquiry at a meeting, and he rejected it as an option. My understanding is that the opposition is now supporting the conduct of such an inquiry. It is one of a number of occasions where there has been a change in their position. Subsequent to their being in government when they could do things, they are now in a situation where they cannot do things but they are happy for them to be done.

Mrs Markus (Greenway) (5.07 pm)—I have a couple of questions for the minister. One question concerns mental health and the other, pharmaceutical copayments. Minister, as you and I are both aware, people in the veteran community have complex needs, and legislation has been developed to respond to those needs. But the pharmaceutical copayment is still an issue of concern. I understand that the minister has announced a review. Could the minister tell me in relation to the review: what is its key purpose; what will be its timing; who will be involved in it; and who will be consulted about it? I imagine, for example, that the Department of Health and Ageing would be a critical contact to include in the consultation process.
Also, who will be contracted to conduct the review? And when does the minister expect to be able to announce any decisions as a result of the review?

There are two questions on mental health. The first question is in relation to the minister’s announcement of $9.5 million over four years in response to the Dunt report on suicide in the veteran community. How was that figure arrived at? Could the minister provide a breakdown to indicate which services the funding will be allocated to? I understand that some of that money may be allocated to training programs for social workers. It would be good if that could be confirmed. The second question in relation to mental health is about the Australian Centre for Posttraumatic Mental Health. My understanding is that it has been commissioned by the Veterans’ Affairs mental health policy unit to conduct an evaluation of the Department of Veterans’ Affairs health initiatives. Could the minister advise me as to how that evaluation program is being conducted? How is the veteran community being consulted? When will the evaluation be completed? When does the minister expect to release its findings?

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (5.10 pm)—Being conscious of the time, let me briefly address the pharmaceuticals issue. This, again, is a commitment I made again in opposition as the shadow minister. It was always a commitment to be fulfilled later in the first term because there are complex issues around the question of how one actually deals with these issues. The commitment relates to addressing the costs of pharmaceuticals for war-caused or service-caused disabilities, and that relates particularly to the impacts of service.

On the question of how it will be done, the shadow minister is correct: there has been some money allocated in the budget. There is a little initial work going on within the department around the parameters of how these matters can be considered. There will need to be consultation in the wider ex-service community, as well as consultation within government with organisations like the Department of Health and Ageing, and Medicare. The intention is to work that through in the second half of this calendar year, when the funding comes into effect.

How long will it take? That is an interesting question. I do not think it will take an exorbitantly long period of time. I would certainly hope to be in a situation whereby, early next year, we have some idea of where we are up to with respect to that. I have been encouraging ex-service organisations to get their thinking caps on about how we might try and address these sorts of issues, and I am committed to working these issues through, in terms of that particular commitment.

In the mental health area, I wish to make a couple of points. The issue of the $9.5 million, and the requirement thereof, basically was—and this is not unusual—a situation where recommendations came from that review. The department considered those recommendations and what they meant with respect to what needed to be done to address them from an administrative and policy point of view. I am working off departmental advice with respect to what is required. The core of the funding, though, will go to case workers and social workers, to ensure we have people to deal with complex cases in a holistic manner—in some circumstances people have very difficult problems to deal with. I am happy to provide the shadow minister with further details by letter or by briefing.

I am advised that the Australian Centre for Posttraumatic Mental Health (ACPMH) study—which was mentioned around the question of services provided by the department—is due to commence in the next few weeks. We do not have a definite time line on it, in terms of its completion, but we would expect to have a result probably later this year or early next year.
Certainly, I have always maintained the view that we should be as open as we can with respect to these sorts of issues.

I would like to quickly pick up on a couple of other things, as well, while I have the attention of the House. The shadow minister made a couple of comments in relation to a bill which has just gone through the House, I think. She questioned moves surrounding veterans payments, as well as a continuing move to align veterans with the Social Security Act. This is a line which the opposition has run for some time; the previous shadow minister ran it as well. The problem we have, though, is that almost every single example that they have raised has actually been either quoting from wordings that we have used—which are exactly the same as the words used by the previous government in the context of bills that they have passed to amend legislation—or effectively endorsing decisions that they held over the entire time they were in office.

For example, let us look at the issue of non-veterans under the Veterans’ Entitlements Act and their pension age increasing in the same manner as the qualifying age for the age pension. This is because they are not service-pension qualified; they do not qualify for the service pension at the earlier age. They are in a situation—as it has been all along—where they are, in fact, veterans who get the age pension. They are not veterans in the context of the act; therefore, they were already accessing payments under the Social Security Act.

The issue of TPIs was also raised by the shadow minister in these terms:

It would seem, however, that there are no increases, no provisions made, for Australia’s TPI pensioners. I want to get this on the record: somewhere in the region of just over 80 per cent of TPIs actually receive income support payments under the current system as part of their entitlements, being a service pension of various types. They receive all the advantages of the (Extension of time granted) government’s reforms as people in the general community. I note that the shadow minister mentioned further into her speech:

Last year the coalition tried to secure an increase for pensioners but this was bitterly opposed by the Rudd Labor government. That increase for pensioners explicitly excluded TPIs—it explicitly excluded people on disability pensions under the Department of Veterans’ Affairs. The very people that she speaks about in her speech were in fact excluded by the proposed legislation that her party brought forward. In fact, the initial commitment that they made, as some will recall, actually even excluded veterans and service pensioners. It was only their second option that included those points. So, frankly, I think it is a bit rich to call upon the government to take action around these issues when the position of the coalition was in fact to ignore them as well. The shadow minister also said:

When the coalition was in government we closed the gap by increasing all veterans’ affairs disability pensions and introduced indexation for payments to veterans with reference to both the consumer price index and the male total average weekly earnings.

You did after 10 years, after being the ones who created the break in the nexus between the rate in the first place and only after the opposition had a policy commitment to do that action when in government. In fact, when you talk to the TPI Association and other ESOs they will make it very clear that this was an issue, an initiative, that took a long time coming under the
previous government and was in fact a policy catch-up as a result of the actions of the then opposition.

The DEPUTY SPEAKER (Hon. DS Vale)—The time allotted for this consideration has expired. I will put the question that the proposed expenditure for the Defence portfolio be agreed to.

Proposed expenditure agreed to.

Resources, Energy and Tourism Portfolio

Mr IAN MACFARLANE (Groom) (5.18 pm)—I thank the minister for this opportunity, and I also thank him for bringing his highly professional department with him. I do not think anyone is missing from over there, are they? In the Clean Energy Initiative announced in the budget there was an announcement of a spend of $3.5 billion over nine years yet only $1.3 billion is accounted for in the forward years. Can you tell me where the remaining $2.2 billion will come from? My second question in relation to that is: what is the funding breakdown and the time line for expenditure for the unaccounted $2.2 billion as it relates to the three individual initiatives under the Clean Energy Initiative and, in particular, the time line for the expenditure on the carbon capture and storage? Thirdly, what systems are in place to ensure that all emerging technologies are considered for assistance and that support does not go only to the established technologies such as wind?

Mr TREVOR (Flynn) (5.19 pm)—It was around this time last year that I got the best birthday present that I had had for quite a while: the privilege of announcing with the Minister for Resources and Energy budget funding of some $50 million to a Central Queensland clean coal demonstration project in Biloela in my electorate of Flynn. It is a three-stage demonstration of carbon capture and storage technologies. As you would know, Minister, having visited this project with me in November last year, the project involves a retrofit of technology to a unit at Callide Power Station and will allow the capture and storage of approximately 17,000 tonnes of carbon dioxide a year for up to three years. Could you advise what funding the government has allocated in the budget for carbon capture and storage technology and explain why this investment is so important to Australia’s energy security?

Ms GRIERSON (Newcastle) (5.20 pm)—Minister, as you are aware, the Australian Solar Institute is located in my electorate of Newcastle. We take clean energy very seriously. You will also be aware that last year we hosted a highly successful clean energy innovation festival. I know the then CSIRO head described it as one of the best things he had seen around the country. You will also be interested to know that our manufacturing cluster group, with 130 members, is now setting up a subchapter on clean energy. We have already benefited from clean energy initiatives, but we certainly would like advice from you on further investments in renewable energy from this government.

Mr BRIGGS (Mayo) (5.21 pm)—Minister, when do you see the commencement of the retirement of Australia’s existing fleet of coal fired power stations?

Mr PERRETT (Moreton) (5.22 pm)—Minister, as you know, I care significantly about mine safety. I note that the budget allocated $3.3 million over four years to implement the National Mine Safety Framework. What benefits will this funding bring, and is Australia doing anything to improve mine safety in our region?
Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (5.22 pm)—Thank you for the range of questions going to the Clean Energy Initiative, a program that has received wonderful support in the Australian community, especially support in recent days from a former member of the coalition, the member for Kennedy, who is talking about the creation of a clean energy corridor as part of the development of a major resources and energy sector in Queensland. With respect to the issues appropriately raised by the member for Groom and former minister, and with respect to the new expenditure on carbon capture and storage, the program runs from 2009-10 to 2017-18. I am prepared, if he desires it, to arrange a full briefing by my department about the details of the department.

For the purposes of the record: in 2009-10 it is $144.8 million; in 2010-11, $88.4 million; in 2011-12, $84.5 million; in 2012-13, $84.5 million; in 2013-14, $400.6 million; in 2014-15, $276.4 million; in 2015-16, $325.6 million; in 2016-17, $200 million; and in 2017-18, $200 million. As the member for Groom appreciates, the objective is to try to prove this commercial capacity in the time span of 2015-2020. It is therefore a program of funding which is aimed at the selection of the right demonstration models and, in doing so, working with the private sector and state and territory governments for the purposes of facilitating the investment over an appropriate time horizon. On the issue of clean energy I say that, over and above carbon capture and storage—which I also regard as part of the clean energy debate because it goes to the future of the existing generators in Australia, the commercial life of which will be determined by those investors in the light of the development of the energy system in Australia—we as a nation have to invest in the renewables sector.

For that reason we have $1.6 billion for the development of the solar flagships, which effectively will mean that we will achieve in Australia the biggest solar flagship demonstration activity in the world. It is targeted to create 1,000 megawatts of solar power generation capacity in Australia. That will not only focus on solar PV; we hope for that investment also to prove the capacity of solar thermal, which is the key to the renewables debate because it is about base load, reliable energy in Australia.

I also understand the issue of wind power raised by the member for Groom. We all appreciate that under a carbon pollution reduction scheme and a renewable energy target of 20 per cent it will be the early growth opportunity. As he appreciates as a former minister for energy, that also creates additional challenges with respect to the operation of the energy network. That is something that is going to have to be worked through. We have a review of the rules and regulations on the operation of the system that will take into account the introduction of the CPRS and the RET. Like him, I also understand the need to look beyond solar, solar PV, solar thermal and wind to do whatever we can to facilitate the development of other renewables such as geothermal, which has great prospects in Australia, and wave power. One should also not forget the potential of biomass. In terms of the energy debate we will do everything we can to encourage the development of all clean energy options in Australia.

That goes to the issues raised by the member for Flynn, a long-time supporter of the coal industry and someone who understands the importance of coal fired power stations. It is a significant additional investment of $2 billion by the government on top of previous investments—and a program initiated by the previous government that we supported in opposition because we understood the nature of the debate in terms of energy security in Australia. The issue raised by the member for Newcastle reinforces the importance of clean energy. I was
pleased to see the delivery of an election commitment to establish a solar institute headquartered in Newcastle to try to facilitate appropriate focus on research and development of the solar industry in Australia. That partnership includes not only CSIRO but also two well-placed strategic research activities in the University of New South Wales and the ANU. (Extension of time granted) In terms of the detail which I have outlined to the member for Groom, to facilitate proper consideration of these matters it is probably best that we arrange an appropriate time for him, as the shadow minister, to go through the financial allocations for the clean energy program over the forward years.

Mr CIOBO (Moncrieff) (5.28 pm)—I will ask several questions to take advantage of the opportunity to ask the Minister for Tourism some questions about budget appropriations for the tourism portfolio. I note that, under your stewardship, tourism in Australia has never been at such a low. I ask the minister how he possibly justifies the imposition of $1 billion of new tourism taxes in last year’s federal Labor budget at a time when the tourism industry is doing it so tough. Further to that, I ask the minister how a funding cut of $6.8 million in real terms by the Rudd Labor government since coming to office is going to assist Australia’s tourism industry. In addition I ask the minister if he can confirm that he has axed the Australian Tourism Development Program, at a saving to the government of some $27½ million, and replaced it by media release with the TQUAL program at a cost of around $8½ million. Will the fact that you have axed $27½ million of infrastructure support for the tourism industry and replaced it with a mere $8½ million program over two years simply result in Australian tourism languishing even further? As I said, this is on top of the $1 billion of new taxes that your government has imposed on the industry at a time of crisis for the tourism industry.

Furthermore, I ask the minister, now that it has been 20 months since the Labor Party was elected and it has effectively been 20 months since the Labor Party had any tourism policy at all, if he will confirm to the parliament exactly where things stand with respect to the national long-term tourism strategy. I specifically ask the minister about a number of the comments made that were put forward in the Jackson report. In particular I quote to the minister a part on page 4 of the report which says:

The funding allocation for the Sustainable Tourism Cooperative Research Centre … during its first two rounds represented a significant part of the resource base for tourism research. This funding allocation must be retained for tourism research even though the STCRC’s bid for a third round of funding was not successful.

I ask the minister: why is it that your office was unable to confirm to the Gold Coast Bulletin that the STCRC had not been successful in its bid for a third round of funding and yet the Jackson report knew about an unsuccessful bid by the STCRC? Minister, given that about $30 million per annum that was being put into tourism research has now been axed by your government, can you commit to seeing an increase in the budget for tourism research to ensure that an initiative such as that outlined in the Jackson report for something along the lines of the ABARE Outlook Conference, which the report said would be of direct and very significant benefit to small and medium enterprises, is an initiative that you undertake? Further, and importantly, will you also stand by this recommendation in the Jackson report: The steering committee considers consolidation—that is, consolidation of tourism research functions—within a restructured Tourism Australia as its preference.
Is that your preference, Minister, or have you got other preferences as well?

Mr BRIGGS (Mayo) (5.31 pm)—I just seek some clarification from the minister. I think in his haste to answer, and he did answer in reasonable detail, the minister answered four questions but he missed mine, which was: when do you see the commencement of the retirement of the country’s existing fleet of coal fired power stations?

Ms RISHWORTH (Kingston) (5.31 pm)—I would just like to take this opportunity to commend the minister on a number of great budget initiatives, in particular the $4.1 million that has been made available in this budget over three years. I do have a question to the minister. Energy security is a key issue for the community in light of our response to climate change. What is the government doing to guarantee Australia’s energy security?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (5.32 pm)—Let me start with the question from the member for Kingston going to the issue of energy security, which also brings into play the question raised by the member for Mayo. The life of existing coal fired power stations is a matter that will be determined by those who have invested in those operations. Their operation is not a matter determined by government. But we all understand that, in the context of the debate about moving to a low-emission economy, the requirement of government is to consider the medium- to long-term needs of Australia from an energy perspective. That is why I have commenced the process with the preparation of the green paper, which hopefully will be released in August, leading into a white paper later this year that will consider Australia’s medium- to long-term energy requirements. That is about not only assessing our current energy use which means we have a dependence on coal fired power stations for 82 per cent of our electricity, but also considering the potential growth in demand for energy and how we will meet that energy requirement, with a potential growth in the use of all energy sources in Australia other than nuclear, which is not permissible under the current government. If the opposition, such as the member for Mayo, has a policy of developing a nuclear power plant in the seat of Mayo, then I would be pleased to be advised, and so would his electors and so would the electors of South Australia, especially in the seat of Kingston.

The issue of an energy white paper is a very serious one because it goes to the heart of two questions. Firstly, should the investors decide they no longer desire to continue to operate their coal fired power stations, are we capable through technology of bringing on new investment in coal fired power stations in Australia, because some of those existing coal fired power stations are in need of major investment from a maintenance and development point of view? Secondly, what other energy options do we have in Australia, such as the facilitation of the development of the gas industry and the renewables sector?

In going to the issue of mine safety, I give regard to the work commenced by the previous Minister for Industry, Tourism and Resources, the member for Groom. We have continued the national process to develop a safer working environment for mine workers in Australia. It is historically a very dangerous section of industry. I continue to make progress on that front and I am pleased to say that an amount of $3.3 million was allocated over four years to progress the implementation of the National Mine Safety Framework. That will be further discussed at the Ministerial Council on Minerals and Petroleum Resources in Darwin in July this year. The importance of that project is not only to be seen from Australia’s perspective but also the possibility of extending those outcomes to countries such as China through the Asia-Pacific Part-
ership, because our engagement with China through the Asia-Pacific Partnership has also included a mine safety initiative.

I go to the issue of the tourism industry. I am serious about trying to clean up the mess left by the previous minister on the tourism front. For that very reason I initiated the development of a long-term tourism strategy report. I was pleased to receive that report—now best known as the Jackson report—last Saturday afternoon in Melbourne at the Australian Tourism Exchange. It was an exchange well attended despite the current global financial crisis. That is the biggest travel trade event in the Southern Hemisphere.

Mr Ian Macfarlane—Not to mention the swine flu.

Mr MARTIN FERGUSON—As the member for Groom correctly indicates, the attendance in the context of the current swine flu epidemic clearly indicates that the industry is well supported in both Australia and internationally. In fact, there were more than 1,000 buyers and sellers of Australian tourism products in attendance—virtually the same attendance as last year when the economic situation was very different. The Jackson report represents an important contribution to the ongoing consideration of a national long-term tourism strategy. (Extension of time granted) I will now properly consider a range of recommendations in that report and I do not intend pre-empting the consideration of that report by an interdepartmental process.

On the issue of tourism research, I came to the conclusion some months ago that there was a serious lack of attention given to it by the previous government. For that reason, I initiated a process with my department to bring to a head the importance of tourism research in Australia. There were serious inadequacies both within my department and within Tourism Australia, especially with respect to supply-side issues. I intend to guarantee that the outcome of that research is rigorous and independent. We have to make sure that we have the best available research for the tourism industry in Australia because it is a key part of the Australian economy. The economic capacity of the tourism industry is something that did not receive proper attention from the previous government.

I also intend to ensure that there is no waste or duplication of effort. It is about time Tourism Australia and the department developed a closer cooperative arrangement with the pooling of capacity and the sharing of potential research activities. The Jackson report made a range of recommendations on how the issue of tourism research could go forward, but the most important issue was its view that we need to improve our performance on the research front. The report says that there needs to be a far stronger emphasis on supply-side research and goes on to argue:

The TRA and other research agencies are not equipped to support a more intensive supply-side research focus.

The report then raises the issue of the potential consolidation of research functions with a range of possible options to achieve that outcome.

I simply say that I am going to achieve an outcome that means we have better research capacity in the tourism sector in Australia and a closer working relationship, not only between my department and Tourism Australia, but also with industry. Industry is looking for some assistance on the research front, especially on supply-side issues—issues totally ignored by the previous government, not only from a labour market point of view, the issue of skills, but
also from an infrastructure point of view and from an international point of view with respect to the need for Tourism Australia to develop far closer working relationships internationally, for example with our embassies and with Austrade. All too often, the representatives of the Department of Foreign Affairs and Trade, in association with Austrade, are pursuing a range of investments which do not include strategic investments in the tourism sector in Australia. Investments in the tourism sector are just as important as investments in other areas of my portfolio, such as resources and energy.

Mr Ciobo—What about the ATDP, though?

Mr MARTIN FERGUSON—Concerning the ATDP, historically a program used by the coalition for pork-barrelling purposes, I have returned a sense of integrity to project selection under a new program called TQUAL. TQUAL is specifically focused on encouraging regions to think regionally and tourism operators in regions to cooperate in promoting their research and in investing in innovation and research and development. The ATDP program was a lapsing program under the previous government. We have decided to refocus it and not only put in place appropriate funding over a two-year period, but also ensure that projects are selected on the basis of merit and not on the basis of the electoral pendulum, which was all too often the practice of the previous government with respect to the Regional Partnerships program and, it would seem on the face of it, some projects selected under the ATDP program.

On the CRC, let’s deal with a few facts. The CRC sought funding for a third round. No CRC has ever been granted funding for a third round. So to actually achieve a third round would have been a first. (Extension of time granted) If I have any criticism of the performance of the industry with respect to potential for funding of the CRC, it goes to the fact that it was too little, too late. To be fair, in late 2007, the CRC management team sought to clean up its act. There had been divisions in the industry and, in some instances, a failure by leading institutions within the tourism industry to give the CRC the support and encouragement it should have been given. I give credit where credit is due. They did seek to reposition themselves and improve their performance during the course of 2008. When it came to actually progressing an application for a new round of funding, they found it difficult to achieve because of the previous performance of the CRC and I might say that a third round of funding is unheralded.

The intent of the CRC program is to provide one or two rounds of seed funding and then for the business sector of Australian industry to assume its own responsibilities to develop sufficient research and development innovation outcomes to enable the CRC to proceed free of government funding. The failure of the CRC to develop a sustainable model now requires that I give serious consideration to how we can pick up the slack and work more closely with industry to meet its needs.

Mr ROBERT (Fadden) (5.44 pm)—Minister, the 2007 Powering Australia publication quotes ABARE as predicting that energy consumption will increase by 2.3 per cent per annum until 2020. The same publication also states that about 1,000 megawatts of generation capacity will be added to the national electricity market annually over the next 10 years to meet demand. The first question is: do you agree with these projections? Secondly, apart from an ill-fated ETS, what are you going to do about these projections? Thirdly, Minister, considering that I am reliably informed that you are on the parliamentary record as supporting nuclear energy—

Honourable members interjecting—
Mr ROBERT—I will correct that. Considering I am reliably informed that you are on the record in general as supporting nuclear energy, when will we have a parliamentary debate about the only low-emission energy with baseload generation capability—that is, nuclear power?

Ms RISHWORTH (Kingston) (5.45 pm)—My question to the minister is: could you please advise us of the importance of the energy market reform agenda and the reforms being pursued by the Ministerial Council on Energy?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (5.45 pm)—Let’s go to the all-important question of nuclear power, an issue of some interest to some coalition members, whilst other coalition members run from the debate every time it is raised in their electorates. But I understand that the member for Mayo will be going back to Adelaide on Friday morning and arguing that he wants a nuclear power plant in his seat and one elsewhere in South Australia.

More seriously, can I say that nuclear power is a fact of life. There is going to be a growth in demand for energy both in Australia and internationally. There are about 1.6 billion people in the world who do not have access to any electricity at all at the moment. We are also going to see a significant growth in energy in emerging economies such as China and India. Unlike those countries, we are an energy rich country. In a lot of ways we are an energy superpower, and there is great capacity for us to expand our energy exports and also to put in place commercial research and development with government investment and investment from state and territory governments and the private sector. These R&D outcomes are just as important from an export point of view.

On the issue of nuclear power, to meet the needs of those countries who are not energy rich like Australia, I will do everything I possibly can to expand uranium mining in Australia to guarantee that our uranium is mined with safe hands and used with safe hands. In Queensland there is a huge amount of exploration activity underway now. I must say I just came from a meeting with a company which is absolutely interested in further investment in exploration activities in the uranium industry in Queensland.

With respect to the issue of energy, there is going to be a growth in energy demand in Australia. There is, for example, a capacity in some coal fired power stations to add a solar outcome which increases output by about five per cent. In more recent times, the new investments have come through gas as a peaking opportunity. We are also going to see in the foreseeable future under the RET a growth in wind power.

What we need to resolve once and for all is a price on carbon. If we want genuine new investment in the energy sector in Australia, then we have to provide an investment horizon which clearly indicates to potential investors what the price on carbon is in Australia for the purposes of determining their investment decisions. So between now and the end of next week I hope that the coalition see the light, that they revisit their position on the Carbon Pollution Reduction Scheme, in association with the renewable energy legislation. I hope that on Friday of next week, when I walk out of here, I can go out in the context of the coalition having seen sense about the security of investment in Australia, that there is a price on carbon and that I can go and talk to potential investors about how we can develop new electricity opportunities in Australia. The challenge is yours.
The DEPUTY SPEAKER (Hon. DS Vale)—The time allotted for consideration of this matter has expired.

Mr MARTIN FERGUSON—I invite the member for Moncrieff to ask more questions in question time.

Proposed expenditure agreed to.

Immigration and Citizenship Portfolio

Proposed expenditure, $1,750,149,000

Dr STONE (Murray) (5.50 pm)—The coalition is very concerned about this budget, which was brought down a few weeks ago now, particularly with respect to our ongoing problems of border security—the fact that this government has slashed resources, in particular staff and financial resources, and the fact that it is not addressing the pull factors that are putting people smugglers back into business and, therefore, exposing people to huge danger at sea. We are concerned that there is now a real contraction of new settlement services. It seems so ironic that, on the one hand, this government has made it possible for another 800 or so to come to our shores via people smugglers, while, at the same time, it is contracting resources for those in the country to learn English. For example, the AMEP budget has been severely slashed. It is also contracting the access to citizenship test training. We cannot understand why that would be the case. This budget seems to be a knee-jerk reaction; it is how Labor is trying to address its ballooning billions of dollars of debt. It has thrashed about and plucked savings out of areas, which, quite frankly, puts Australia at risk.

Let me give some more detail of this. The Department of Immigration and Citizenship has been asked to provide an efficiency saving of $120.6 million over four years. They have also been asked to cut a further 416 staff from the department in 2009-10. This is on top of the 210 staff cut in the last budget. We are also told that there is to be a contraction of resources for contractors. In particular, when you start to slash staff from overseas posts and replace them with cheaper in-country staff, unfortunately you expose applicants for visas to Australia to the cultural, sectional interests and prejudices that often are typical of countries who have deeply divided communities. It is not right that, in some countries in particular, a visa applicant has to deal with a local—with all of the expectations of money under the counter and expectations of being told to go to the back of the queue if the in-country employee does not share the same values and objectivity of an Australian employed in that same post. We know that is increasingly what is going to happen, given that we are looking at staff slashes of over 600 combined over these last two budgets.

We are very concerned that the queues, particularly in the parent and spouse reunion area, are already years long—in some cases, 10 years long. How much longer are these queues going to be with this slashing of staff and contracting of resources? I am afraid we are, therefore, seeing an increase in the pull factors of jumping queues and trying alternative means to get into Australia. People in those circumstances are lining up now, particularly in Indonesia, to use people smugglers. The Rudd Labor government must urgently look at these pull factors, not simply slash resources and staff numbers.

I will deal with these pull factors in more detail. For example, in August last year Minister Evans announced that from now on there would be no consideration of how a person arrived in Australia in terms of their asylum seeking. The treatment of that person’s visa application...
would be the same, even if they had spent nine or 10 years in Indonesia running a small business in the interim since they left their home country. They also announced, much more recently, the abolition of the 45-day rule. This means that, for example, if you have been a student, perhaps studying community welfare services or cookery or hairdressing, at the end of your course, you could apply for asylum in Australia, knowing that you would have work access rights during the time it would take to perhaps reject your vexatious claim. It is a further pull factor for people to clog up the system. Then we had the complementary visa announcement within the budget. We do not know exactly what that means; we were not given details. Is a complementary visa holder someone who has not met the UNHCR criteria but who will enjoy the same rights and privileges as another asylum seeker who has met the UNHCR criteria?

What, indeed, does that mean? We know it means additional resources for DIAC to do the processing. What we have in this budget is a huge contraction of resources. We know the task, for example, of processing so many more of the people-smuggled clients at Christmas Island is growing and will continue to grow, but what we see is a contraction of resources to deal with that and so a starving of other very legitimate areas supporting refugees in the country. They are being squeezed all the time.

Mr McCLELLAND (Barton—Attorney-General) (5.55 pm)—Just to deal with the issue of resources, the Minister for Home Affairs indicated in the House yesterday the extent of additional resources that the government is spending on the area of national security. There will be $3.4 billion in additional resources over five years. $654 million of that is for the area of border protection. We have in Australia some of the most robust laws of any country in the world, including mandatory detention, excision of offshore islands, offshore processing and compulsory return of those who do not meet the status of genuine asylum seekers. Of that $654 million, maritime surveillance will get an additional $324 million; aerial surveillance will get an additional $63 million; engagement with regional countries, including our near neighbours to the north but also extending to Sri Lanka and Pakistan, will get an additional $93 million for enhanced engagement; and law enforcement, including enhanced legal prosecutions, which are already showing dividends, will get an additional $13.6 million.

The honourable member referred to pull factors. What she did not acknowledge or refer to were the significant global push factors. I noted a lot of interjections in the House yesterday when the Minister for Home Affairs was going through those. In 2008, for instance, Italy saw a 122 per cent increase in people-smuggling activities, Canada saw a 30 per cent increase, Norway saw a 121 per cent increase, and the Netherlands saw 89 per cent. What the honourable member did not refer to were statements made previously by her, the Leader of the Opposition, and, I think, Senator Brandis that one of the pull factors has been the abolition of the temporary protection visas. It would seem that those opposite are suggesting that all the countries I referred to need to do is introduce a class of temporary protection visas and these numbers will dissipate and they will not suffer any more people seeking asylum in their countries. In fact, we know that is wrong. It is ridiculous.

The proof of the pie is in the eating, so to speak. It did not work. The temporary protection visa class was introduced in 1999. During that year there were 3,722 non-authorised rivals. In the next two years there were 8,459. All it did was result in an incentive for women and children to get on board these unsafe vessels. In the SIEV 10 event, we saw the worst-case sce-

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The scenario where a number of those women and children perished at sea. In fact, in terms of the false allocation of resources during the period of the former government, they spent in the order of $289 million, as best we can see, directly on the so-called Pacific solution, which exceeded the amount spent during that same period on surveillance activities, which was $264 million.

To succeed in ending the activities of these people smugglers—and it is the most reprehensible of human conduct—we need to focus on strong law enforcement measures and sophisticated engagement measures, which we are doing. Adherence to our international obligations as a good international citizen is unquestionably a plus in dealing with those international relations and obtaining that cooperation. Again, we have seen that in the fact that Hadi Ahmadi has been extradited to Australia. We have also seen two arrests of people-smuggling organisers in Australia recently. In fact, I think there are some 20 cases of people smuggling before the courts now in addition to the three that were successfully prosecuted last year. The government is literally putting our resources where our political language is, with an additional $654 million over the next five years.

Ms JACKSON (Hasluck) (6.00 pm)—I rise tonight to direct some questions to the Minister representing the Minister for Immigration and Citizenship concerning a group of people who reside not only in my electorate but across Australia. Minister, you might think it is rather unusual for a member to speak on behalf of a group of people who have no right to vote in Australia because they are not citizens—though many of them would dearly love to be. I am speaking about people who reside in Australia as subclass 410 visa holders, retirement visa holders. They are a relatively small group and the majority of them have resided in the country for over a decade, and some of the individuals in my electorate for over 20 years. I have been made aware of their issues on a number of occasions, first when doorknocking in Hasluck prior to the 2001 federal election. I met David and Marie Austin, who at the time lived in Helena Valley and were very active local members of my community. They had left the UK, sold up all their possessions and made the decision to come and spend the rest of their lives in Australia.

The main issues that confront 410 retirement visa holders have arisen because the visa is a temporary visa. It must be renewed every four years, with all of the administrative burden that entails. When I first met David and Marie it was at that stage every two years. The visa does not allow access to Medicare and holders must have private health insurance. Because they are seen as temporary residents, they are not eligible for health insurance cover that would apply to other visitors, so it is extremely expensive. They are not entitled to the private health insurance rebate, though interestingly enough they do not meet the eligibility criteria as a visitor to access the Pharmaceutical Benefits Scheme. They are not allowed to work more than 20 hours either in a paid or an unpaid capacity. Certainly in my electorate many of them use their current work eligibility to work as unpaid volunteers and they make a magnificent contribution to the community. Of course we certainly consider them to be residents for tax purposes, but they have many difficulties. They find it hard to obtain credit cards, travel insurance and also, from one example in my local electorate, funeral insurance.

Since I first met this group I know that there have been considerable attempts to look at what enhancements may be possible. I was delighted that the Rudd government announced that several enhancements would be made to the retirement visa as part of this year’s budget.
to give them greater assurance that the visa would be renewed and to reduce the requirements for further applications for visas. I think this will have a terrific impact. I want to ask the minister to perhaps outline the enhancements that apply to this particular class of visa holders and the benefits that will be experienced not only by the 410 retirement visa holders but also by the community as a result of the changes that have been introduced as part of the budget.

I would also appreciate, Minister, some advice on when the changes will become effective. Many people are currently part-way through their four-year eligibility for their visa and I would be curious to know when these new benefits will in fact take effect. Of course, I could not let it go without saying that many people currently on the retirement visa have family members in Western Australia and have very strong ties to our community. It is certainly my view and my hope that in the long run retirement 410 visa holders who have chosen to make Australia their home will have some sort of pathway to permanent residency and Australian citizenship. I will certainly continue to support that goal. The way that it is, a step forward is always better than a step backward. I do want to congratulate the government on the enhancements that they have made and I would appreciate the information that the minister can provide.

**Dr STONE (Murray) (6.04 pm)**—At the outset, let me refer to the minister’s earlier response. Statistics do not lie. What we had at the end of 1999 was the introduction of the package to deal with people-smuggling. In the next year, when the people in the pipeline were of course on their way, the figures remained similar. They then halved, and the people smugglers were out of business by 2003. The statistics are there for everybody to see.

Let me move on to education agents. In the budget the Department of Immigration and Citizenship, we are told, is to take over the running of the Migration Agents Registration Authority. It was being run very well by the industry sector in a voluntary way, but the department is taking on this function. What we cannot understand is why the government did not add to the task the education agents who, as we know, spend a lot of time giving advice on migration pathways to international students whose goal is to come and study in Australia as a means of gaining the points to apply for permanent residency. These education agents very often are horrifically disadvantaging students by misrepresenting the sorts of courses these people will need to take, the number of hours they may legitimately work in Australia and indeed the course fees themselves, yet the government has chosen to continue to leave them out of the loop when it comes to accreditation, evaluation of their output and monitoring. It would have been so simple to add them to the Migration Agents Registration Authority task. They seem to have been out of sight and out of mind. We now have the tragedy of the Indian students being attacked, and I have no doubt that education agents, if they had been better scrutinised, monitored and accredited, may have played a greater part in making sure those students understood exactly what their rights and responsibilities in Australia were and in helping to protect them from exploitation here.

There is also the guest worker issue. In the budget we have, quite interestingly, a substantial number of millions to help DIAC, DEEWR, DFAT and other agencies continue to manage the Pacific Islander seasonal guest worker program. That has been a complete debacle. The guest workers themselves were meant to arrive before Christmas last year in order to do the harvest work in Swan Hill and three other pilot areas. They arrived so late—and then only the Tongans—that there was no work left for them to do. Besides that, the communities of
horticulturalists had been left so far out of the loop that they were not even aware of what their costs and responsibilities would be in relation to this program. When they found out, they were somewhat alarmed. We now have the shocking situation of Tongan guest workers out-competing Tongan Australians in the picking area of Robinvale.

This has been a debacle from start to finish. There have been lots of trips into northern Victoria and southern New South Wales for numbers of bureaucrats, but it has been a totally bungled opportunity and, I am afraid, there has been a lot of misrepresentation to our dear friends in the Pacific, who were anticipating an income stream back to their impoverished communities and villages. Instead we have found only Tonga engaged and then at the wrong time of the year and with a lot of community opprobrium—not fair of course—when the Tongan workers have taken the jobs of the now growing numbers of unemployed in rural and regional Australia.

I also wonder why the Living in Harmony program grants were slashed. They were a major means of bringing about community understanding of new minorities coming to this country. Those grants and support have gone.

We are also concerned about the Community Care Pilot, which was begun under the coalition, to help asylum seekers settle into a new community experience. That was made an ongoing program and is to be supported, but there is no funding for the accommodation component of that community care program. How absurd! The biggest cost and the biggest need for these new arrivals is adequate and appropriate accommodation, but support is not there. The NGOs working in the sector have come to me and said: ‘What can we do? We cannot believe that this is the way the program is being managed.’

Let me say too that it is of great concern to us that the department of immigration is not appropriately and efficiently dealing with 457 visas. In particular, it is spending up to 12 months thinking about an application. By that time we have been out-competed for those skilled workers by countries like Canada, the US and New Zealand, which have far more efficient programs. (Time expired)

Mr Neumann (Blair) (6.09 pm)—Minister, I want to build on the questions put by the member for Murray relating to people smuggling. The member for Murray and I were both in South-East Asia, in Singapore and Indonesia, at the end of last year having discussions with the Australian Federal Police, who work diligently and effectively, particularly with the authorities in Indonesia, to tackle the problem of people-smuggling. The questions I have relate to discussions I had with a number of constituents at many of the mobile offices I run around the electorate of Blair. I am thinking of one particular fellow who came to see me at Boonah, a small country town in the Fassifern Valley. He came to talk about border protection and people-smuggling. These issues relate well because, as I have said a number of times in the past, Pauline Hanson was my federal member and now I am hers. A number of people who voted for her some years ago still hold dear to her ideas. People-smuggling is a problem which concerns people in my constituency. It is right that the government should make it a top priority when it comes to challenges.

I am also interested in further and better particulars. Minister, you answered the questions put by the member for Murray about dollars and cents going towards a number of programs. I commend the government for the $654 million dedicated to agencies charged with the important task of detecting and apprehending illegal vessels in our waters. Are you able to expand
on how that investment will enhance Australia’s strategy to combat people-smuggling, which the Prime Minister said is evil? I think people-smuggling is awful, it is criminal and it exploits people. Also, I am very interested in the border protection committee of cabinet which seems to have been created, which will be supported by a border protection task force. I understand that will also help the government in its response to the threat of people-smuggling. I am interested in what decisive and strong steps the government is taking and how committed we are to this challenge. I am sure the constituents in my electorate are very interested in a response from the government.

Ms OWENS (Parramatta) (6.12 pm)—I live in an extremely diverse electorate, as everyone would be aware, with an incredibly vibrant community. Large numbers of my electorate came to Australia as refugees. We have a very large Vietnamese population, many Chinese, quite a few hundred who were allowed to stay following Tiananmen Square, Cambodians who were here under the Colombo Plan and many Afghans. There is a little Shia mosque to the south of my electorate, a Sunni mosque to the north and a large Hazara population hanging around somewhere in the middle.

Mr Neumann—Different from Blair.

Ms OWENS—Very different from Blair, but a delightful place to live. Many people in my electorate know the stories of refugees because they know their own story. When they talk to me, they look to Australia as a country that should have a generous, well-managed system for settling refugees, but there is concern at the growing number of people arriving by boat. They recognise, as I do, that there is growth around the world in the number of people seeking asylum, that there were 42 million forcibly displaced people worldwide at the end of last year and that Australia is not alone in having to face an increase in people-smuggling. They share my concern at the number of people who are prepared to exploit the desperation of others for their own ends and to put people’s lives at risk in order to make themselves some money. I know the government has taken many actions to further strengthen our border protection but I would like to hear it from the minister for my electors in Parramatta, who are very concerned about this issue.

Mr McCLELLAND (Barton—Attorney-General) (6.14 pm)—Addressing the question from the member for Hasluck: yes, the government has made some significant enhancements to the subclass 410 visa to give greater assurance that the visa will be renewed and to reduce requirements for further retirement visas. There are currently about 8,200 retirement visa holders. Many have been here for more than 10 years and are valued members of the community. Retirement visas previously had to be renewed every four years and were subject to a limit of 20 hours work per week. Commencing in 2009-10, retirement visa holders will be able to renew their visas for 10 years and no work limitation will apply. The department is working to have these changes in place for a 1 July 2009 start date.

In addressing the member for Murray, I will talk about the issue of people-smuggling in response to the next two questions but I would refer her, in terms of the Living in Harmony project, to the fact that there is a national action plan to build on social cohesion, harmony and security that is administered by the Department of Immigration and Citizenship and known as the National Action Plan. Off the top of my head, I think it is some $40 million that has been allocated over a two-year period for that program. I would refer her to that.
In terms of the issue of education agents, and specifically the assertion that they perhaps could have prevented the violence against Indian students, I think, with respect, that that is drawing a long bow.

Dr Stone—That’s not what I said.

Mr McCLELLAND—I will let the member clarify that. But that they could have some role in helping to protect—I made a note of the words—is, I think, a very serious matter. The government has formed a task force to look at the issue. The Victorian government has called on police and prosecutors to redouble efforts and indeed to enforce greater sanctions and penalties in terms of imprisonment where the offence seems to be related to racial prejudice.

Currently there is at the federal level, as you would be aware, an offence of inciting violence against a group of individuals on the basis of their race, religion or ethnicity. As part of a response to recommendations of the Australian Law Reform Commission, the government is examining the possibility of amending that offence to include a criterion of inciting violence against an individual on the basis of that individual’s race, religion, ethnicity or nationality. These are things being considered in response to the guest worker issue. I would like to know the member for Murray’s position in respect to guest workers, quite frankly. There was considerable dissension within the opposition ranks as to whether they supported or did not support the program. I think a lot of interests in rural and regional Australia actually supported it. It is in fact a small, demand driven pilot program that may have the benefit of providing labour in those areas where it is required. I should emphasise that the precondition to anyone being engaged as a guest worker is that there is no local labour available, and that it cannot be used to undercut and undermine actual wage rates that are being paid in the area. There can be benefits all round if the program is successful. I stress that it is a demand driven pilot.

In terms of people-smuggling, the government is seriously committed to addressing the issue. It is, as I have mentioned, committing $654 million to it. The government does, in fact, have a ministerial task force, one that is supported also by senior public servants in key agencies, in order to enhance our response to the issue of people-smuggling. There is, in particular, enhanced aerial surveillance and enhanced maritime surveillance, but there are also significant programs for engagement and capacity building at both a law-enforcement and intelligence prosecution level. There is also, of course, capacity to extradite those people so that they can come and face the justice system where that is established in Australia.

Dr STONE (Murray) (6.19 pm) —In following on a number of those issues, let me first take up the interception of people smugglers. The minister has been making much of the fact that the funding that has been identified is to be spent on being able to intercept the people-smuggler boats more cleverly and quickly. Well, the point is that if you have paid a lot of money to a people smuggler then your whole object is to be intercepted by Australian officials. That is what you aim to do. You are looking out for that interception, which will commence your process of asylum seeking in Australia, being taken to Christmas Island and so on. So every time there is a new boat arrival—and the most recent one was just two days ago—is not a time for a triumphant claim: ‘We’ve found another one.’ Rather, the issue is: what are the pull factors that have now brought more than 20 boats to Australia since August last year, with many more than 20 boats intercepted upon leaving Indonesia by the Indonesians? In fact, the funding you have been referring to in this area has not been giving much additional tasking at all.

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I am also concerned, in terms of the funding of the Department of Immigration and Citizenship, about the fact that the education agents I referred to had not been brought into the stable, if you like, of migration agents who have a very similar task—in other words, advising visa applicants of what the migration paths are into Australia. Education agents, who typically are on commission to a lot of Australian vocational and higher education and training institutions, could be required as part of their accreditation to give comprehensive and factual information, such as: what you do if you need to call out the police and what the 000 number is; what private health insurance is all about in Australia and why you should renew it; what is the experience of others in contacting the police; and the fact that, if you are assaulted or if you are a woman who is raped in Australia, you do not have to prosecute your case through in the courts if you do not wish to and your anonymity will be respected. All of that information would be part of what an education agent would be required to give if they were credited and brought under the umbrella of government scrutiny and monitoring in the way that migration agents are. That was the point I was making, and I think there was a deliberate misrepresentation of what I said.

Let me also say in the case of the guest workers that it is not a demand-driven program at all. There are 2,500 visas, we are told, which are to be delivered over the next three years. We also know that there was no work remaining in those three pilot areas which had been left for so long without the delivery of the workers, as promised much earlier in the year. By the time the workers arrived, the only work that could be found was in Robinvale, and you have probably seen the media references to locals now not being able to work in those areas because the guest workers are in those cash-paying positions. There is a lot of fallout now from the Rudd government’s mismanagement of the economy, with a lot of food manufacturers and a lot of abattoirs closing, particularly in northern Victoria. Those people could have looked for work in places like Robinvale, but they cannot now because others are in place there under the guest worker program. I think it is a great shame. There has to be more flexibility in this government as the circumstances change so dramatically in the workforce.

I began to refer to the 457 visa category inefficiencies in processing. We still have skills shortfalls in some sectors in our economy—for example, in the health sector, in IT, in some engineering sectors and in mining in Western Australia. The 457 employer applicants are being told they should look very much to labour workforce agreements. Some of those are taking 12 months-plus to process. They are asked for more and more information by DIAC, often information already submitted. It seems there is almost a conspiracy to make sure that the employers of the future cannot reach for those essential skilled people offshore. Often those offshore workers are going to make it possible for Australian employees to keep their jobs. So I ask the minister to tell Minister Evans about this problem and ask him to get much more in tune with what is really going on in areas like the 457 visa category.

Mr McCLELLAND (Barton—Attorney-General) (6.24 pm)—In terms of those pull factors referred to by the honourable member, I have noted a reference to the 45-day rule in a parliamentary committee. The honourable member, with respect, expressed support for modifying that rule, which has occurred.

Dr Stone—No, you’ve got that wrong.

Mr McCLELLAND—I have the shadow minister saying:
I also share Dana’s concerns about the employment situation, because a lot of the people on bridging visas who have health costs, in particular, are in a great deal of strife when it comes to being able to manage their own affairs. What are you doing about access to Medicare for health costs for people on bridging visas?

Evidence has been found from both NGOs and from the people on bridging visas themselves, and of course, we do not have any ability to work out what numbers we are talking about there quite often, but it has been a great financial distress, and the NGOs are saying, ‘We can’t continue’.

Essentially what is proposed is that the 45-day rule be removed and replaced with a tiered response, depending on whether an asylum seeker has taken steps to resolve their status while still lawful. In terms of the non-refoulement obligation, it does nothing more and nothing less than honour our obligations under our international non-refoulement obligations. I ask the honourable member what she would say to a little girl at risk of female genital mutilation being returned to a country because she did not meet the asylum-seeker criteria. I ask the honourable member to talk about what she would say about a woman being the subject of the possibility of an honour killing due to her not meeting the technical requirements of the protection visa. In terms of the temporary protection visa, I have referred to the fact that on its facts it simply was not demonstrated.

I thought I should address those matters, but I should also indicate that in addition to talking about additional resources for maritime and aerial surveillance there has been a substantial amount of money for intelligence capability and intelligence capability building, for law enforcement capability and capability building, for legal capability building and for prosecution capability building for people literally on the ground. They are already on the ground and, we would submit, having effect.

Proposed expenditure agreed to.

Attorney-General’s Portfolio

Ms LEY (Farrer) (6.28 pm)—I ask the Attorney-General what his views are on penalties in the area of online child exploitation in Australia. In particular, does he have a view of whether the heinous crime of online child abuse should be brought under federal government legislation and therefore produce better opportunities for conviction and sentencing rather than leaving it to individual jurisdictions? Does the Attorney have a view on the comparison between the sentences for online child abuse in this country and those overseas?

Mr McCLELLAND (Barton—Attorney-General) (6.28 pm)—The honourable member raises a significant issue. I think this is an area that requires examination among federal and state government agencies. The constitutional issues that the honourable member has referred to are clearly something that would need to be considered and addressed. I suppose there may be scope under the Convention on the Rights of the Child for the potential for federal legislation in this area; it may be that otherwise it would require a reference of state powers. At the outset I think that, rather than going down into those technicalities, it is appropriate to review the penalties in this area. I think having the judiciary enforce appropriate penalties requires a demonstration by legislatures around the country of the seriousness of these offences. I think we also need to look at some inconsistencies where failure to cooperate with police or enable

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access to computer memories is less of a penalty than would otherwise be the case should the crime be detected.

I think these are also inconsistencies that need to be reviewed in the area. In summary, the honourable member, with respect, raises a significant and legitimate issue and one that the federal government is giving consideration to.

Mr NEUMANN (Blair) (6.30 pm)—My questions relate to access to justice, Attorney-General. That issue covers a number of things. The situation is that at a time of great financial hardship and global recession people often confront the court system at a very difficult time in their lives, particularly regarding personal insolvency or liquidation of their company. I would like to know what we are doing about assisting these people, particularly those who are facing the hardships of financial circumstances that they would not have dreamed they could find themselves in. Their business may have gone downhill, they might have spent too much on their credit cards or they might find themselves under the pump with respect to payment of their bills or their mortgages. What help are we giving those people in terms of bankruptcy et cetera?

One of the things that I recall vividly in my 24 years of practising as a lawyer before I was elected in 2007 was how important infrastructure and facilities were for the courts. By the layout of a court you could actually create a culture. I remember the old Commonwealth Courts building in Adelaide Street in Brisbane where the Family Court and the Federal Court were lumped in together. Everyone was smoking inside. It was dreadful; it was an oppressive building. I think the layout of our courts is very important. We saw the benefit of that in Brisbane particularly with the new Commonwealth Courts building, which housed the High Court, as well as the Family Court, the Federal Court and later the Federal Magistrates Court as well. So I am concerned about infrastructure and facilities, particularly for courts, and what impact that will have on the culture and on people who face justice and come in contact with the court system, particularly the High Court, which is our highest court.

I have been a strong advocate, as you know, for the reform of family law. I hope the family law accreditation committee of the Queensland Law Society accepts my request for an extension of my specialist accreditation in family law. I practised in family law towards the end of my time practising. I also practised industrial law, criminal law, personal injury, conveyancing and bankruptcy as well, but family law is particularly an interest to me.

I am also interested in what we are doing regarding the Federal Magistrates Court and the Family Court, because I think one of the worst things the Howard government did in the court system was to duplicate a court system to deal with the same jurisdiction—that is, family law.

If you go overseas, as I have been on a number of occasions, and explain to a practitioner in Christchurch, just across the Tasman, the various options for bringing court proceedings in Australia, they will hardly believe you. If you want to bring an application for a parenting order, you can do it in the local magistrates court, say, in Brisbane. You can bring it in the Federal Magistrates Court. You could bring it in the Family Court. They could barely believe the fact that we had a number of different avenues. We need to simplify the system and make it fairer to litigants.

So I am interested in seeing what we are doing. I actually think we should abolish the Federal Magistrates Court. We should stop the duplication of sets of rules. We should actually make the system more streamlined, with one entry as a registry and also one set of judges. We
have seen a divergence in the jurisprudence and we have seen people treated differently in the Federal Magistrates Court than they would otherwise be dealt with in the Family Court. For example, in the Federal Magistrates Court cases are going to be dealt with in two days, say, in family law. There is a cutback in the number of witnesses that can be there. You can just see that the more expeditious way in which the litigation is conducted results in people feeling they do not necessarily get the kind of access to justice they need. I am interested in seeing, Attorney-General, what you are doing about that and what budget measures there are to reform the court system in family law.

Mr McCLELLAND (Barton—Attorney-General) (6.35 pm)—Access to justice is an important issue and a priority for the government. In the last two years, as a result of one-off funding, we have been able to put additional money—I think in the order of $47 million—into the system for community legal centres and legal aid commissions. I would be the first to say I would like to do better than that. I would also be the first to say that I would like to be able to do that on a more sustainable basis. We are looking at options with the state governments as to what we can do to enhance that. The reality is that all the research suggests that resources put in to assist people early in the piece can significantly reduce the costs subsequently incurred not only by the individuals but by the community. Part of that funding goes into a number of things—in particular, domestic violence and the areas covered by domestic violence but also areas where people are likely to suffer prejudice from the financial crisis. Hence, financial counselling has been regarded as very important.

In the area of bankruptcy, the reality in these times is that there has been an increase in the number of bankruptcies. We have increased funding by $14.3 million over two years to the Insolvency and Trustee Service Australia not only to enforce and administer bankrupt estates but also to provide assistance and advice. Generally, ITSA provides significant services. It is also obviously the case—from media reports and from the fact that we have just issued a discussion paper on potential reforms in the area of bankruptcy—that they inevitably will have some controversy, depending on the particular interest in the community represented. Essentially, the thrust of the reforms is intended to encourage people to obtain advice early if they appear to be insolvent and, where appropriate, at an early stage to enter into debtor agreements. The evidence suggests that creditors of those persons who have entered into debtor agreements in those circumstances recover in the order of 72c in the dollar. From bankruptcy they recover in the order of 6.2 per cent. I think those are the figures. If we can achieve that outcome at the same time as impose obligations on people to be frank—and, indeed, to consider penalties if people are not genuine in the information they produce—we may achieve some balance in the system. Clearly, there is some work to be done, but it is an important debate to be had.

I will go to the issue of the family law restructure. Again, the government proposes to act on the recommendations of Des Semple, who was an expert retained to advise the government on what was becoming quite a dysfunctional situation in the operation of the Family Court and the Federal Magistrates Court in particular. There were media reports—and, indeed, there was some substance to some of the reports—of quite trivial issues of disputation. The thrust of the government’s measures is obviously to save resources but to put resources back into the system—for instance, to use the savings to fund additional counsellors—and also to ensure a more effective allocation of resources between the two courts. For instance, there is dispro-
portionate use of family counsellors in the Federal Court and less than adequate use of family counsellors at the doorstep of the court, which by and large tends to be the Federal Magistrates Court.

There are also inbuilt inefficiencies. Judges, because the matters are more complex, tend to set aside a number of days for hearings yet—as we all know—with lawyers they can resolve, making it easier for judges to use up those vacant days by facilitating a transfer of matters from magistrates to judges. We believe that will enhance the capacity of the courts—that is, the Family Court and the Federal Magistrates Court—to deal with their collective workload in the interests of litigants and taxpayers. We think it is a very effective initiative. In summary, Des Semple said, ‘To do nothing is no option.’ Something needs to be done and we believe the recommendations are sound.

Mr Wood (La Trobe) (6.40 pm)—My question is regarding Commonwealth anti-terrorism legislation and preventative detention. There seems to be a lot of confusion out there with the state law-enforcement agencies as to whether they are actually obliged to use Commonwealth legislation in the event that there is a terrorism incident. At the Victorian section of the Australian Crime Commission, I asked a superintendent of the Victorian police, ‘Who would be responsible if there were a terrorist attack in Victoria?’ He said that, even if a terrorist attack had been declared a terrorist incident—and I know you will be definitely involved in that process—the states would actually go back to their state laws and use ‘reasonable time’ to interview a suspect in custody.

I know in preventative detention there is no ability for police to interview a suspect because he is arrested and released under part 1C of the Crimes Act, which is a Commonwealth offence. Can you please give some clarity on what the state police forces should be doing? Can they use their own state legislation or are they obliged to use the Commonwealth legislation?

Could you just update us on the situation that the Prime Minister announced in his address last year to parliament, saying that he would consider establishing a national security college and a national crisis coordination centre? I would be very interested to find out where the government is up to regarding that. Also, I am greatly concerned that the air marshals program is being cut—obviously for security reasons, we do not talk about the number of members involved. The information I am receiving about members who are performing duties as air marshals is that on paper they are supposed to be doing hours in the air but, instead, they have been seconded to other duties. Can you assure me and the House that this is not occurring; that air marshals are actually performing air marshal duties? Additionally, there appears to be no future funding in the 2009-10 budget for the air marshals program. Will you commit to continuing the program?

Finally, in the 2009-10 AFP’s budget, it says that the special operations program will be cut by $8.1 million, the counter-terrorism program by $1.4 million and the intelligence program by $3.2 million. All of this greatly concerns me considering the Rudd government did announce during the election that they would increase the AFP by an additional 500 members. I know that was staggered over a period of five years, but it appears that there is a net increase of only four police officers, at this stage.
Mr McCLELLAND (Barton—Attorney-General) (6.43 pm)—With respect to the first issue, can I remind the honourable member that the laws being applied currently in the area of counter-terrorism are laws of the former government. Can I also refer him, with respect, to a statement to the House by the member for Berowra, who said on 29 March 2004:

It is not the practice of the Attorney to comment on matters of legal advice to the government. Any advice given, if it is given, is given to the government.

It would be entirely unsafe and inappropriate for me to advise the Victorian police or the Federal Police on what law enforcement powers should appropriately be exercised by them in any given circumstances. I would refer the honourable member to the fact that, last December, we indicated a range of areas where we are contemplating amendments to the counterterrorism laws. Shortly, we intend to issue a discussion paper in respect to those amendments, with the proposed amendments actually set out. I would certainly welcome the honourable member’s feedback in respect to any areas of enhancement, clarification or otherwise.

In terms of the issues of general national security spending, we are talking about a very substantial amount of money as part of the overall portfolio. Within the Attorney-General’s portfolio, we identify that we will be spending in the order of $3.4 billion on national security initiatives this year.

In the context of enhancements, since 2001, overall there has been a 115 per cent increase in national security spending by government: the Attorney-General’s emergency management by 228 per cent; the Australian Crime Commission by 138 per cent; the Australian Federal Police by 169 per cent; Australian Security Intelligence Organisation by 196 per cent; AUSTRAC by 226 per cent; CrimTrac by 135 per cent; and Customs by 37.1 per cent.

I have indicated previously that in the last budget we allocated—in addition to that $3.4 billion that is being spent for this year, part of which includes this allocation—an additional $1.3 billion to spend on border security initiatives and law and order counterterrorism initiatives over the next five years. That funding includes funding for the air marshals program. There is also in place a review by Roger Beale into the role of the Australian Federal Police, examining, among other issues, the extent to which governments may have unwittingly or unwisely constricted the ability of the Federal Police to allocate resources according to priorities that they identify. There was a Mr Early engaged by the Federal Police in the period of the last government, who said, ‘If you are going to spend a massive amount on any measure of the public’s resources on the area of the security, you need to assure the public that the money is being used as effectively as possible.’

In terms of a review, there will obviously be an examination of national security priorities. Since the air marshals program was established, a lot of initiatives have been put in place, including a range of initiatives in the area of airport security, where we will be spending 53.1 per cent. There are issues in respect to the hardening of cockpit doors. In terms of the issues of the national security college and of emergency management capability and developing an all-hazards approach with the capacity for the members of the private sector to be engaged in that expertise, that is clearly a matter that is being considered by government. The government will be issuing a counterterrorism white paper later this year. And we are doing a lot of work in the area of emergency management—I issued a statement on that today.

It is appropriate, I would concede, for the opposition to point to areas where there have been ‘efficiencies’; the opposition would argue otherwise. If the opposition are going to talk
about the overall budget situation, then it is incumbent upon them to identify where they are going to achieve efficiencies. I have—and I shall refer to them subsequently—where those efficiencies are occurring. *(Time expired)*

Ms LEY (Farrer) (6.48 pm)—My question to the Attorney concerns the Australian Transaction Reports and Analysis Centre, AUSTRAC, which leads Australia’s domestic anti-money-laundering activities. It has had $7.7 million of its operating budget cut to build capacity for anti-money-laundering policing in Botswana, Tanzania, Namibia and Kenya—all countries which I understand the Australia government is lobbying for their vote on a UN Security Council seat in 2013.

Attorney, I also note in ‘breaking news’ that Botswana has requested a relationship with us concerning policing, requesting that Botswana fellows come here and the AFP go there. I also note, in the last week there has been much reporting about the need for our AFP to be carbon cops of the future when it comes to enforcing and regulating any carbon trading regime that may be introduced. So why have we taken money from our own efforts to fight money laundering to help the efforts of African countries? As valuable and important as I know these efforts are, is that really getting our priorities right? Can the Attorney guarantee that, if we do send the AFP to Botswana and if we do task the AFP with being the carbon cops for any CPRS regime in the future, we will actually add some more money to the budget for the AFP?

Mr McCLELLAND (Barton—Attorney-General) (6.50 pm)—I thank the honourable member for her question. In terms of the first issue relating to AUSTRAC, my understanding from the budget papers is that the spending this year will be $65.6 million, up from $57.9 million or thereabouts on the previous year. There have been some efficiencies which will result in a reduction of 12 officers, I am led to believe. That will be as a result of focusing on areas of greatest priority, which includes money laundering and terrorism financing. There has been a lot of work from the period of the previous government in terms of the counterterrorism financial reporting obligations. There has been a downturn, essentially as a result of those programs being implemented. Work needs to be done in enforcing it, but those efficiencies are being achieved there.

Developing the capacity of African countries to detect and address money laundering and funding of criminal activity—indeed, funding, potentially, of terrorist organisations—is an important issue. If you have a look at it in the context of the budget of AUSTRAC, the resources being put into African countries are relatively small but nonetheless important. I am not going into details as to why they are important but I can most certainly confirm that enhancing that capability in Africa is unquestionably important in the area of security to Australia.

The Australian Federal Police will be funded to the tune of $1.361 million, I think, for operational reasons. There has in fact been a staff growth of four per cent. There are 3,000 sworn officers. The government is committed to implementing its program of 500 additional officers. I think it was said in Senate estimates that we have currently 30 more officers than there would have been had the previous scheduling progressed. As I have indicated, there is currently an audit of the budgetary considerations as they apply to the Australian Federal Police, and obviously we are receiving the input of the Federal Police in that context.

There have been several areas of savings referred to previously by the honourable member. As I think has been referred to by the opposition in press releases and otherwise, there is $1.4
million in the area of counterterrorism. I am advised that that $1.4 million relates to corporate
corporate expenses and staff leave. The $3.2 million going to intelligence programs relates to similar
issues. I am advised that the $8.1 million in the economic and special operations area relates
to: $4.3 million in the area substantially relating to copyright; $2.4 million as a result of a
downdscaling of the oil for food program investigations; and $1.5 million in staff liability. At
the same time, the government is spending in a number of areas—for instance, airport secu-
sitivity. We are looking at: an additional $9 million for unified policing; an additional $9.1 mil-
for joint investigation teams—the air security officers that I referred to and aviation liai-
son officers; $18.3 million for the regional rapid deployment teams; and $5.1 million for the
airport police commanders program. In addition, there are a number of other areas of signifi-
cant enhancement. There is, for instance, $31 million to deploy 12 Australian Federal Police
officers to Afghanistan, to go to the front line of their narcotics program and address the nar-
cotics risk, because narcotics, if not addressed, very quickly come to Western countries, in-
cluding Australia.

Ms SAFFIN (Page) (6.55 pm)—Attorney-General, my question has two parts. It relates to
the natural disaster area of your portfolio of national security. I will precede my question with
a very brief comment. As the Attorney-General would be aware, preparing for natural disas-
ters is critically important to all Australian communities. The people in my electorate of Page
know this only too well. The Attorney-General knows that my electorate has been hit by two
floods this year, in March-April and then again in May. I thank the Attorney-General for his
visit to Page recently during the last flood to see it firsthand. As we know, earlier this year,
and at the same time, damaging floods also hit communities in North Queensland and com-
munities south of where I live as well. And we all know about the bushfires in Victoria. So,
given the unprecedented series of natural disasters—

Mr Neumann interjecting—

Ms SAFFIN—Yes, and Ipswich too. So, given the unprecedented series of natural disasters
which has affected Australia this year, the question is: what measures has the government
taken in this budget to further address these threats and help the Australian community better
prepare for them? Regarding national security—and, Attorney-General, you have already ad-
dressed this somewhat in answer to some of the previous questions—I would ask you about
the measures being taken by the government in the budget to protect Australia’s national secu-
ity. Could you outline some of the measures that have been taken within your portfolio spe-
cifically to boost that with particular reference to e-security, wireless priority systems and re-
gegional cooperation?

Mr McCLELLAND (Barton—Attorney-General) (6.57 pm)—The government regards
emergency management as a crucial issue. Since the turn of the last century over 1,200 Aus-
tralians have died as a result of natural disasters. Obviously, more recently we have seen the
tragedy of the Victorian fires. To enhance our capability in this area, we have developed a
restructure within the Attorney-General’s Department to focus on emergency response capa-
bility, which I think it is fair to say had been done—and has continued to be done—extremely
well. But we wanted to have a greater emphasis on the area of long-term resilience policy de-
velopment and on genuine national development in this area with the states and territories as
well—hence a national security resilience policy division which looks at this concept of all
hazards, whether they be terrorism or natural disasters. We have also developed a national
security capability development division which looks at issues of procurement, trying to get long-term procurement of standard equipment; interoperational equipment; education programs; training programs; and engagement with volunteers. Of course, the role of the EMA will continue in terms of its incident response capability.

This budget has allocated some $203 million in the area of emergency management and, for resilience, $79.3 million. We have introduced more flexibility so that applicants will have greater flexibility in how it is applied. For the National Aerial Firefighting Centre there is an additional $12.8 million, bringing it up to $14 million per year. The other items include a wireless priority system, at $6.8 million; volunteers, at $12.8 million over four years; the fire mitigation program, at $10 million over two years; and resources for developing an enhanced coordination centre so that it has counterterrorism and disaster resilience capabilities, at $6.8 million. For the national emergency warning system we have invested $36 million over four years. They are substantial investments indeed.

In the area of national security, we have focused $685 million in additional funding over five years in the area of law enforcement and national security, including $53.1 million in the area of airport security. I have gone through a number of those issues.

In addition, there is some $116 million in other areas, including: $5.5 million for the National Indigenous Intelligence Taskforce; $20 million in the area of additional guarding, as a result of the threat of a terrorist event; $7 million for a continuity-of-government project; $44.5 million in the area of Project Wickenby—I have mentioned the area of critical infrastructure protection, which should also be included in this category; $2 million to continue the national information campaign; and I have also indicated that the government will be appointing a national security legislation monitor.

I note in that context that Lord Carlile was out here and while, yes, it is important to protect the civil rights of Australians, equally, from my discussions with Lord Carlile, I sincerely believe there are benefits all around in having the community confident that our national security legal framework is sound, balanced and reasonable, both in enabling strong law enforcement and counterterrorism measures and in protecting human rights. Indeed, I believe that it will be of some comfort to the judiciary, who we require to enforce these laws. Obviously of their nature they are coercive powers, but if they believe the laws, both in their introduction and application, are being administered for sound, sensible and balanced reasons, we believe there will be greater efficacy all around in the long-term enforcement of counterterrorism measures.

Mr WOOD (La Trobe) (7.02 pm)—Attorney-General, I refer to my earlier questions about the air marshal program. I thank you for answering the majority of those questions. The concern I have is that I have been informed that a number of air marshals who, on paper, are supposed to be undertaking air marshal duties, have actually been performing other sorts of duties. If you cannot answer the question tonight, could you take it on notice and assure the House that we are actually having air marshals performing air marshal roles, rather than other duties?

Secondly, regarding the Australian Crime Commission, it appears to me that it has dropped its investigative arm almost completely. Is this something which the government is intending—to have the ACC focus on intelligence only, with very little investigation? There is a
reason I ask this. You will be aware that, under the Australian Crime Commission Act, the employees do not have the power to arrest anyone nor do they have the power to carry firearms. The only members who do are those seconded from the states, territories or the Australian Federal Police. As you will be aware, the majority of those seconded members have been severely cut back. I believe there are only 20 members there on secondment. Therefore, the ACC’s investigative capacity has been nearly completely lost.

The other great concern I have is the full-time staff members at the ACC. In last year’s budget they were cut by 15 per cent and again, this year, by 7 per cent, reaffirming my belief that the ACC is going down the path of intelligence only. The reason is that they do not have the investigators there in the first place because they have been sent back home. Could you answer those questions? I will leave it at that.

Mr McCLELLAND (Barton—Attorney-General) (7.04 pm)—In responding to the member for La Trobe, I am aware of the time. Concerning the air marshal program, he would appreciate that most certainly there are air marshals and most certainly the air marshals are flying. He is aware that it is no secret that they are not on each and every flight. For obvious reasons, we do not say how many, or which, flights they are on. I can assure him and the travelling public, and I re-emphasise to any would-be person of ill repute, that there are air marshals flying on planes.

This year we are spending $96.5 million on the Australian Crime Commission. It is essentially an intelligence and investigating body; it is not a police force. We have the Australian Federal Police and we have state and territory police forces. It does not undertake law enforcement activities, nor do we want it to do that. The prospects for running interference, review and so forth, speak for themselves. I am informed that the staff numbers—and they do fluctuate depending on issues and the numbers as seconded—are 584, and 560 are paid by the Australian Crime Commission. The honourable member’s statement of 20 currently being paid by other agencies—in other words, seconded—is the right figure. In addition, there are 28 who would be described as ‘independent contractors of particular expertise’, whether it is technology or other areas.

The capacity of the Australian Crime Commission to undertake its primary role of investigating and intelligence would be impeded by expecting it to undertake policing work. It has very strong coercive powers to require attendance and the production of documents and to investigate people through the use of those powers. It has an annual budget of $96.5 million and a staff of 584, made up as I have described. It is a very substantial and significant organisation, and it does have flexibility in how it allocates staff. I would take the opportunity to also commend Mr Lawler, who has recently been appointed as the head of the agency. I think we are going to see even better outcomes. That is not to demean the previous leadership in any way, shape or form; the organisation was clearly well lead. I think Mr Lawler is an outstanding choice to lead the organisation and I think we will see some outstanding results from the organisation.

Proposed expenditure agreed to.
Mr IAN MACFARLANE (Groom) (7.08 pm)—My question is to the minister and I thank him for giving us the opportunity to ask these questions. In fact, I will ask a couple just to get started—it gives you time to get an answer from your advisers behind you. Minister, why does the TCF sector only get $10 million in additional funding over the forward estimates, when Cutler recommended $250 million be provided and the industry and unions asked for $750 million? My second question is: is $10 million the sum total of the government’s response to the Green review of the TCF sector?

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.09 pm)—Thank you to the member for Groom for his question. I will try as well as I can to facilitate the discussion. I think this is quite a valuable forum. I would like to thank him for responding when he was the minister—if not on the spot, then following up with responses later that were of some considerable value.

In relation to the TCF review and the budget response, the fact is that the government will drive innovation in the textile, clothing and footwear industries by investing $401 million in a retargeted TCF innovation package. That will run from 2009-10 right through to 2015-16, with an extra $55 million earmarked for innovation, including $10 million in new funding. I think that is the $10 million to which the shadow minister referred. The package recognises the importance of the TCF industries, which still employ, despite a lot of restructuring over the years, more than 45,000 Australians.

Mr Ian Macfarlane—I hope the minister is wearing an Australian-made suit.

Dr EMERSON—In fact, I am. It is an Australian-made suit. It is a very nice one. It has stood the test of time. I will not say, ‘At Lowes’; I got it somewhere else. It was a DFO store, in fact. There are more than 45,000 Australians relying on this industry. The industry, as the shadow minister well knows, has moved from lower value items to more fashion items. We in the government think that, to that extent, it has a very good future. The funding that we are providing aims to make the TCF industries stronger and more sustainable by supporting the development of new products and processes, especially at that high-tech, high-value end of the market.

That is $10 million out of a total $401 million. Anyone, including the shadow minister, could argue for more funding for just about every conceivable program, but this is an important contribution to the ongoing health and restructuring of these industries. I will just point out that since the coalition have been arguing that Labor has gone into too much debt it is a bit ironic that they are now arguing that we should be spending more.

Mr IAN MACFARLANE (Groom) (7.11 pm)—The second part of the question was: is $10 million the sum total of the government’s response to the Green review into the TCF sector?

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.11 pm)—I think I did indicate that the extra funding of $55 million will be earmarked for innovation, including $10 million in new fund-
It is out of a total of $401 million in retargeted TCF support. I will just finish up because I do want to give the shadow minister ample opportunity to ask other questions. If you could just put together ingredients and create a magic pudding of more funds I am sure the previous government would have done that. It was a very heavy-spending government, with five per cent real expenditure growth in its last year—boom expenditure in a booming economy because of the China boom. This government has had to act responsibly to bring down a budget that provides not only stimulus in the short term, through cash payments and short-term investments in infrastructure followed by long-term investments in infrastructure, but a path of returning the budget to surplus over time.

The shadow minister’s pleas for extra funding in this area are noted. He should have a talk to the opposition leader about some consistency. I am reminded that former Senator Reg Withers said that consistency is the sign of a small mind, so I will not ever accuse the opposition of being consistent.

Mr IAN MACFARLANE (Groom) (7.13 pm)—I take it that was a no, and I assume that the last bit was just babble. I will now move to the automotive sector. Can the minister advise how many companies have so far received funding under the automotive sector structural adjustment scheme? Can he also advise how many of these companies have merged and with whom? Can he also advise why companies are getting money under this scheme essentially to prop them up when the scheme was supposed to facilitate mergers and strengthen the sector? I will see how the minister goes on those questions, and I will probably have another one after that.

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.14 pm)—I will try to get some more details to supplement the answer that I am about to give. The government has invested something in the order of $6.2 billion in the automotive sector. For a shadow minister who is arguing for more money, that is a very substantial amount of money.

Mr Ian Macfarlane—I will not be verballed.

Dr EMERSON—I am doing this in good faith. My understanding is that you are arguing that there should be more funding for the automotive sector.

Mr Ian Macfarlane interjecting—

The DEPUTY SPEAKER (Hon. BC Scott)—There is no point of order.

Dr EMERSON—Thank you for your protection, Mr Deputy Speaker. Mercy, mercy! This is an enormous investment in the future of the automotive industry in Australia. We do have a very positive view of an automotive industry—but an automotive industry that will need to continue to boost its productivity and to restructure. During these incredibly challenging economic times—the deepest global recession since the Great Depression around three-quarters of a century ago—the automotive industry here in Australia, as I think the shadow minister would genuinely agree, has responded very strongly when automotive plants around the world are under enormous pressure. They are merging. They are closing. We see this in daily news bulletins.
It is an enormous investment that the Australian government is putting into the automotive sector. We have three strong car makers—obviously, Holden, Toyota and Ford. I am not, I must confess, absolutely clear about the suggestion in the question that there should be mergers. I only ask this in good faith—

Mr Ian Macfarlane interjecting—

The DEPUTY SPEAKER—No, the minister—

Dr EMERSON—I am happy for him to come back to that.

The DEPUTY SPEAKER—The member for Groom, with a clarification?

Mr Ian Macfarlane—The question was about the Automotive Industry Structural Adjustment Program, and it particularly relates to component companies. We are not expecting Toyota to merge with Ford in Australia.

Dr EMERSON—I thank the shadow minister for the clarification. When he asked the question, I did interpret it as possibly—

Mr Ian Macfarlane—It is your scheme. It is the automotive sector structural adjustment scheme.

Dr EMERSON—I am trying to interpret your question, or at least to understand it.

Mr Ian Macfarlane—Mr Deputy Speaker, I will repeat it for him.

The DEPUTY SPEAKER—The member for Groom.

Mr IAN MACFARLANE (Groom) (7.16 pm)—How many companies have received funding under this scheme? That is the first question. The second question is: how many have merged and with whom? The third question is: why are companies getting money under this scheme to essentially prop them up when the scheme was supposed to facilitate mergers and strengthen the sector?

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.17 pm)—I thank the shadow minister for his question and the clarification of the question. We know that the Australian automotive industry comprises both auto assembly and component manufacturing. I have here beside me a member of parliament, the member for Isaacs, who has quite a large automotive component manufacturing sector in his electorate. He may even wish to contribute to the debate here and say how it is going. But the point I am making is that I do not think it is essential, with respect to the shadow minister, that a structural adjustment should inevitably constitute mergers.

Mr Ian Macfarlane—That is the scheme.

Dr EMERSON—But there could be advantages in mergers—

Mr Ian Macfarlane interjecting—

Dr EMERSON—I am just saying there could be advantages in mergers, but it should not be that the entire future of the auto component manufacturing industry is dependent exclusively on mergers. That is the point I am making. Sometimes scale is not the only determinant of profitability, particularly of auto component manufacturing facilities. Again, we see a big future for component manufacturing in this country. It has come under pressure. There have been job losses in this area and we are very keen to support the component-manufacturing
I am disappointed, I must say, with the implication in the question—in fact, the statement in the question—that we are just propping up auto component manufacturers in this country. They are under enormous pressure as a result of an extraordinary global situation, the worst recession in 75 years. We are achieving structural adjustment in this area. It is tragic that there have been job losses in this area and we are proud of the investment that we are putting into this sector. I am disappointed—and I think I can perhaps say that on behalf of the member for Isaacs and all of those members of parliament who have auto component manufacturers in their areas—that the shadow minister would conclude that the plan that we have put in place is only propping up these particular component manufacturers. I think we can do better than that. We are obviously much more optimistic about the future of component manufacturing in this country than the coalition is. The implication of the question is that they should not be supported. We reject that. I will provide to the shadow minister the specific detail which he has sought.

Mr Ian Macfarlane—We have already delivered a whole sheetful for you, mate, and you haven’t answered any of them.

Mr CIOBO (Moncrieff) (7.20 pm)—In the spirit of short and swift questions and answers, I have a question for the minister about the Small Business Online Initiative. The government announced in the budget a $10 million funding program, the Small Business Online Initiative, which it says will ‘equip small businesses to go online and improve their web facilities and engage in e-business capabilities enabling them to take full advantage of the National Broadband Network’. I note this is funded only in 2009-10 and 2010-11, with applications being sought this year. Minister, would you outline what advantage small businesses will be able to take of the National Broadband Network under this program when the National Broadband Network is not in place until 2018?

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.21 pm)—I am glad that the shadow minister for industry has called for reinforcements. He said he had a big list and now he has disappeared, but he might be trying to add a few questions so that he could fill out the remaining time. But I do thank my counterpart, the shadow minister for small business, for his question in relation to the Small Business Online Initiative. It is $10 million over two years, 2009-10 and 2010-11. The purpose of it is to get more small businesses online. The best estimate we have is that about 93 per cent of small businesses have an email address but, surprisingly—I certainly was surprised at this figure—the proportion of small businesses that have a webpage is 54 per cent. They would be a lot of home based small businesses, microbusinesses based at home, which is an area of great growth in the small business community. The purpose of the online program is to get that figure of 54 per cent up much higher and to get more small businesses to have webpages that are functioning and that they are confident about and utilising. They can therefore reach out to a bigger client or customer base and get ready for the opportunities created by the National Broadband Network—in fact, I would call it a national superfast broadband network.
I understand the point of the question. In terms of the timing, we do this work now, for the next two financial years, to get the proportion of small businesses who have a webpage—not just an email address but a webpage—up from 54 per cent to as high as possible so that when the national superfast broadband network is ready to roll they can take full advantage of it.

I will just make this point, if I may. What sort of benefits will there be for small businesses from the National Broadband Network? I think it provides enormously exciting opportunities. It is an enabling technology. I will give one example which I think summarises the sorts of benefits for small business, and that is teleconferencing. With superfast broadband, teleconferencing technology available to the small business will be much closer to reality. If someone has a business in, say, Townsville, it would save them flying to Brisbane or around Australia to talk to suppliers or potential clients or customers. What I would like to see is something that is a little bit visionary. I understand that in regional centres not all small businesses may be able to have their own teleconferencing studio or facility, but maybe one could be located in a local chamber of commerce or business enterprise centre. They could go to the teleconferencing facility in the chamber or the centre and do their work there, saving them the time and the effort and expense of having to go around Australia and, indeed, overseas physically in order to do that. That is just one example of the exciting benefits that would be available to small business under the superfast Broadband Network.

Mr CIOBO (Moncrieff) (7.24 pm)—My question to the minister is with respect to the $10 million small business support line. I ask the minister: what is the government’s proposal with respect to the small business support line on who exactly will be answering the telephone when someone rings in on that telephone line? Will it be a call centre operated by the private sector, will the call simply go through to a bureaucrat in a department in Canberra or will it be operated by local BECs, which I know the minister is supportive of? Whether it goes to a departmental bureaucrat or to someone else answering the telephone, if it is merely a referral service to someone who can give the person meaningful advice—and I suspect most businesspeople would not get much meaningful advice, depending on who is answering the telephone—to which services will they be referred? Will they be public services or will they be BECs, and how will there in fact be any KPIs or benchmarks on whether or not taxpayers are getting value on this $10 million program?

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.26 pm)—I thank the shadow minister for his question. The small business support line is meant to augment the existing advisory services that are being funded by the Commonwealth. There are 36 business enterprise centres being funded to the tune of $42 million over the forward estimates. In addition to that, the Prime Minister announced in October last year at a small business summit in Brisbane that there will be $4 million, specifically for the period of the global financial crisis, for further advisory centres. Another 54 advisory services were successful in that funding round. So that is a total of 90 small business advisory services now being funded directly by the Commonwealth. We do understand that that does not constitute comprehensive geographic coverage of this huge continent of ours, and therefore we believe that the support line provides a very valuable supplement to those advisory services.
In terms of the receipt of the call, the current planning is that it will work through AusIndustry. We already have people who are equipped to handle what are likely to be the most common referrals. For example, there might be the questions: ‘How does this small business tax break work? Am I eligible for it? When does it expire?’ The person on the end of the support line will be well briefed to say: ‘We will put you in touch directly with—

Mr Ciobo—Who is the person on the support line? AusIndustry?

Dr Emerson—It will go through AusIndustry, and we already have trained people who are capable of doing that work. But that will be supplemented. That is the reason there is extra money being spent on it.

As a rough estimate—there is no science in this; it just gives a bit of an indication—80 to 90 per cent of inquiries will be of a general nature. It might be GST compliance, people worried about tax debts and so on, or people seeking information on what other government programs are available for small business during these challenging economic times. The person on the end of the support line will be equipped to do that. But the other 10 to 20 per cent of questions may well relate to the local circumstances of that business in their local community, and there we will seek to support a network of advisory services. We have not reached a landing yet on whether that will be the network not only of 36 business centres but of about 130 business centres around Australia. That is one possibility. We are still working our way through that to make sure we do what I am sure the shadow minister is urging—get real value for money out of this so that people in these more challenging times are able to get quality advice, particularly, as I said earlier, in those parts of Australia that are perhaps not already fully serviced by Commonwealth funding of business enterprise centres.

Mr Ciobo (Moncrieff) (7.29 pm)—I am mindful of time, so I have a very quick question. Just to clarify—I am uncertain—is it that the telephone number will ring through to an AusIndustry representative or is it that there may in fact be others? If it is that there may in fact be others, how many additional receivers of telephone calls will be employed under this program?

Dr Emerson (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (7.29 pm)—We do not have estimates of how many people will be utilised overall, but there is existing capacity to handle these sorts of—

Mr Ciobo—So no new additional?

Dr Emerson—No, I think there will be new additional people, but we are not starting from scratch. There are already trained people. What we will do is make sure that they are well equipped to refer inquiries to the particular agencies of the Commonwealth—indeed, to state government agencies. But—and this is why not all of the funding will go specifically to that—that is not a substitute for answering a local question in a local community, and that is where we are working on whether, perhaps, we should utilise a broader advisory network to be able to provide that local advice. It certainly will not be the sort of situation where the person who receives the call just gives your phone number to someone and then they go from place to place looking for advice. We are going to do our best to make that very simple advice, and that is why it is called a support line.
Proposed expenditure agreed to.
Debate (on motion by Ms Saffin) adjourned.

Main Committee adjourned at 7.32 pm
QUESTIONS IN WRITING

Non-Forestry Managed Investment Schemes
(Question No. 648)

Mr Forrest asked the Treasurer, in writing, on 16 March 2009:

(1) Has he received a report on the Government’s review of the costs and benefits of non-forestry managed investment schemes; if not, when will he receive it; if so, (a) when will it be made available for public comment, and (b) by what date will the Government publicly respond to it.

(2) Does he agree that non-forestry managed investment schemes have an unfair taxation advantage in competing against family-owned horticultural enterprises.

Mr Swan—The answer to the honourable member’s question is as follows:

(1) Yes.

(a) The Assistant Treasurer and Minister for Competition Policy and Consumer Affairs publicly released the findings of the review on 29 May 2009.

(b) The Government will consider whether there is a need for changes to the tax treatment of non-forestry MIS in light of the recommendations of the Review of Australia’s Future Tax System.

(2) See answer to 1(b).

Port Macquarie Health Service
(Question No. 757)

Mr Oakeshott asked the Minister for Health and Ageing, in writing, on 14 May 2009:

What is the status of all submissions made to the Health and Hospitals Fund that relate to the Port Macquarie Base Hospital.

Ms Roxon—The answer to the honourable member’s question is as follows:

The application to the Health and Hospitals Fund (HHF) relating to the Port Macquarie Base Hospital has not been considered by the Health and Hospitals Fund Advisory Board. The application was received too late to be considered in the process which formed the basis of the $3.2 billion HHF funding package announced in the 2009-10 Budget.

The Australian Government is still considering possible priorities for future HHF funding. A copy of the application will be kept on record and it may be considered under a future funding round.