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SITTING DAYS—2009

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FORTY-SECOND PARLIAMENT
FIRST SESSION—SIXTH 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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<td>Vale, Hon. Danna Sue</td>
<td>Hughes, NSW</td>
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<td>Vamvakou, Maria</td>
<td>Calwell, Vic</td>
<td>ALP</td>
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Members of the House of Representatives

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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>
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<td>Zappia, Tony</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals; Ind—Independent

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

Prime Minister
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Treasurer
Minister for Immigration and Citizenship and Leader of the Government in the Senate
Minister for Defence and Vice President of the Executive Council
Minister for Trade
Minister for Foreign Affairs and Deputy Leader of the House
Minister for Health and Ageing
Minister for Families, Housing, Community Services and Indigenous Affairs
Minister for Finance and Deregulation
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Minister for Innovation, Industry, Science and Research
Minister for Climate Change and Water
Minister for the Environment, Heritage and the Arts
Attorney-General
Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate
Minister for Agriculture, Fisheries and Forestry
Minister for Resources and Energy and Minister for Tourism
Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services

Hon. Kevin Rudd, MP
Hon. Julia Gillard, MP
Hon. Wayne Swan MP
Senator Hon. Chris Evans
Senator Hon. John Faulkner
Hon. Simon Crean MP
Hon. Stephen Smith MP
Hon. Nicola Roxon MP
Hon. Jenny Macklin MP
Hon. Lindsay Tanner MP
Hon. Anthony Albanese MP
Senator Hon. Stephen Conroy
Senator Hon. Kim Carr
Senator Hon. Penny Wong
Hon. Peter Garrett AM, MP
Hon. Robert McClelland MP
Senator Hon. Joe Ludwig
Hon. Tony Burke MP
Hon. Martin Ferguson AM, MP
Hon. Chris Bowen, MP

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<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Minister for Home Affairs</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery</td>
<td>Hon. Warren Snowdon MP</td>
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<td>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</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Assistant Treasurer</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Minister for Early Childhood Education, Childcare and Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
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<td>Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery</td>
<td>Senator Hon. Mark Arbib</td>
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<td>Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government</td>
<td>Hon. Maxine McKew MP</td>
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<td>Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Western and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
<td>Hon. Bill Shorten MP</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr SC, MP</td>
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<td>Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade</td>
<td>Hon. Anthony Byrne MP</td>
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<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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<td>Parliamentary Secretary for Employment</td>
<td>Hon. Jason Clare MP</td>
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<td>Parliamentary Secretary for Health</td>
<td>Hon. Mark Butler MP</td>
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<tr>
<td>Parliamentary Secretary for Industry and Innovation</td>
<td>Hon. Richard Marles MP</td>
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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 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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Tuesday, 18 August 2009

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

MR SPEAKER

Mr SIDEBOTTOM (Braddon) (12.01 pm)—On indulgence, Mr Speaker, I will ask you a question. It has come to my attention that it could well be your birthday today. If that be the case, may I offer you my personal best wishes and the best wishes of all your colleagues in this place and everyone who works in this place. Happy birthday—if it is your birthday.

The SPEAKER—I can neither confirm nor deny at my age, but I thank the honourable member for Braddon.

Mr SIDEBOTTOM—I will take that as a yes!

PETITIONS

Mrs Irwin—Happy birthday, Mr Speaker. I hope you are going to admit your age, because I will not admit mine! On behalf of the Standing Committee on Petitions, and in accordance with standing order 207, I present the following petitions:

**Daylight Saving**

To the Honourable The Speaker and Members of the House of Representatives:

The petition of certain citizens of Australia draws to the attention of the House of Representatives our opposition to Daylight Saving and the Health, Social, Economic and Environmental impact of Daylight Saving upon Australia.

Your petitioners seek a national uniform approach and therefore request the House of Representatives to call on the Federal Government to conduct a Referendum on Daylight Saving with a view to the States relinquishing their power to the Federal Parliament (as provided for in s. 51 (XV) and (XXXV 11) of the Australian Constitution.

by Mrs Irwin (from 89 citizens)

**Youth Allowance**

To the Honourable The Speaker and Members of the House of Representatives

This petition of families; students and friends of those who will be affected by the Government’s proposal to change Centrelink’s criteria for Independent Status Allowance to University students.

Draws to the attention of the House: the Government’s proposed budget to discontinue paying Centrelink’s Independent Status Allowances to tertiary students who have earned $18,500 between the time of finishing high school and commencing university.

We therefore ask the House to consider the pleas particularly of those students who must leave their family homes to commence tertiary study at a University away from their home town; particularly those students currently working a gap year to earn the $18,500 criteria for payments of $370 per fortnight. These kids should not be deprived the opportunities their city cousins take for granted; in acquiring a tertiary education. Your new proposal of 18 months’ full time work will equate to 24 months to comply with uni starting semesters; will possibly discourage kids starting uni at 19/20 years of age with young High School Graduates. Furthermore, regarding your intention that these kids work 18 months (i.e. will actually be 2 years); where do you propose that each year’s High School Graduates will work when the previous year’s High School graduates are holding the positions for an extra 12 months?

You are willing to invest more in overseas students studying at our universities. What can there be to gain from this; when surely the majority take the expertise and knowledge gained here; back to their home countries?

by Mrs Irwin (from 77 citizens)

**Rail Freight Noise**

To the Honourable The Speaker and Members of the House of Representatives:

Sign the petition - Minimise rail freight noise

The petition of certain citizens of Australia draws to the attention of the House: the increased noise levels for local residents and the absence of plans to add sound barriers along the rail freight corridor between Casula and Liverpool. Your petition-
ers therefore ask the House to change the current conditions of approval for the Southern Sydney Freight Line to protect the quality of life and wellbeing of residents along this rail corridor.

by Mrs Irwin (from 378 citizens)

Youth Allowance

To the Honourable The Speaker and Members of the House of Representatives

The Petitioners draws to the attention of the House the changes made to the qualification criteria for the Youth Allowance. We therefore ask the House to move the start date of the new criteria for 12 months in order to cater for the students currently taking a Gap Year in 2009.

The petitioners also request the Government reconsider the requirement of working 30 hours a week for 18 months in a 2 year period in order to qualify as an independent student resulting in added disadvantage incurred by rural and remote students who are forced to relocate in order to participate in higher education.

by Mrs Irwin (from 455 citizens)

Youth Allowance

To the Honourable The Speaker and Members of the House of Representatives

This petition of certain citizens of Australia draws to the attention of the House to the Rudd Government’s changes to the workforce participation criteria for establishing independence under Youth Allowance by removing the following two eligibility criteria: that the recipient worked part-time for 15+ hours per week for two years or more since leaving school; and the recipient earned, in an 18-month period since leaving school, an amount equivalent to 75% of the maximum rate of pay (in 2009 this requires earnings of $19,532). The effect of this change is that eligibility criteria for the Independent Youth Allowance will retrospectively require participants to complete 30 hours work per week over a 18/24 month period compared to earning $19,532 over 18 months.

This means a student who has complied with the previous rules but not worked 30 hours per week will have lost the credit for their effort and must start again thus losing 2 years before commencing a University Course.

These proposal further disadvantages young people whose place of residence is beyond daily commuting distance from a University and thus must fund their total accommodation costs over and above the other direct costs of such an education. That working 30 hours per week while attending University is virtually impossible in more intensive courses.

We therefore ask the House to change the criteria so that rural and regional students are not disadvantaged.

by Mrs Irwin (from 3 citizens)

Forgotten Australians

To the Honourable The Speaker and Members of the House of Representatives

This position of certain residents of Australia, draws to the attention of the Australian Parliament that Australian careleavers (FORGOTTEN AUSTRALIANS) seek national acknowledgement and a national apology for the torture, sexual physical and emotional abuse and the neglect that occurred in Australian institutions charged with the care of children

Your petitioners request that members of the Australian Parliament pressure the Federal Government to deliver this acknowledgement, apologise to Forgotten Australians and ensure that past providers provide ongoing support and redress for those who were in their care.

by Mrs Irwin (from 715 citizens)

Youth Allowance

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

The Petitioners draws to the attention of the House the changes made to the qualification criteria for the Youth Allowance. We therefore ask the House to move the start date of the new criteria for 12 months in order to cater for the students currently taking a Gap Year in 2009.

The petitioners also request the Government reconsider the requirement of working 30 hours a week for 18 months in a 2 year period in order to qualify as an independent student resulting in added disadvantage incurred by rural and remote
students who are forced to relocate in order to participate in higher education.

by Mrs Irwin (from 216 citizens)

Child Support
To the Honourable The Speaker and Members of the House of Representatives
This petition of Certain citizens of Australia
Draws to the attention of the house
The child support agency hasn’t considered my financial circumstances in sufficient detail. A deduction of $200 per fortnight was collected since February 2009 for a debt with the child support agency although my expenditure exceeds my income. The deduction was for $30 per fortnight before February. Presently I have a defacto and am caring for 2 orphans 5yr and 3yr old and am living day to day by either borrowing or begging because of the sharp rise of the deduction. I am living on handouts from colleagues, family and friends. All of us regularly queue for free food supplied by Hare Krishna outside Newtown station and eat the food on the roadside in the cold which is affecting the health of the two orphans who live with me.
We Therefore ask the House to
Request the responsible Minister to immediately re-instate the fortnightly payment to $30 as soon as possible.

by Mrs Irwin (from 16 citizens)

Youth Allowance
To the Honourable The Speaker and Members of the House of Representatives
This petition of members from the Gippsland community recognises the importance of providing affordable access to university for students from rural and regional areas.
Members of the Gippsland community draw the attention of the House to changes announced in the Federal Budget on May 12, 2009 which states that students will no longer be able to achieve financial independence for Youth Allowance and ABSTUDY by meeting the 2nd and 3rd elements of the workforce criterion.
The petitioners believe that the Youth Allowance changes proposed in the Federal Budget place another barrier to university participation for students in regional areas; unfairly discriminate against students currently undertaking a ‘gap’ year; and contradict other efforts to increase university participation by students from rural and regional Australia.
We therefore ask the House to retain the 2nd and 3rd elements of the workforce criterion so that a tertiary education is accessible to regional students.

by Mrs Irwin (from 217 citizens)

Burma
To the Honourable The Speaker and Members of the House of Representatives.
This petition of Burma Campaign Australia draws to the attention of the House the military junta in Burma.
The recent cyclone in Burma has demonstrated to the world the cruel nature of the Burmese military junta. This cruelty is nothing new. Burma is a country where millions are starving, forced into unpaid labour, arbitrarily arrested and killed. In 2007, the military opened fire on peaceful protestors, many of them Buddhist monks. Burma’s people cannot speak out.
8.8.08 marks the 20th anniversary of the military junta’s brutal crackdown on peaceful protests lead by students demanding democracy. Over 3,000 were killed and thousands more fled Burma to become refugees. Twenty years later the regime is as brutal as ever. Burma’s true leader, the inspirational Aung San Suu Kyi, is under house arrest.
The military junta must be removed from power. As supporters of Burma Campaign Australia we therefore ask the house to:
1. Enact effective economic and trade sanctions against Burma;
2. Extend and enforce visa sanctions against the military junta, their families and State enterprises.

by Mrs Irwin (from 1,222 citizens)

Australian Service Medal
To the Honourable The Speaker and Members of the House of Representatives
This petition of Mark Rowell
Draws to the attention of the house: restrictions on the award of the Australian Service Medal (ASM), particularly with, but not limited to, the ‘FIJI’ clasp.

Usual conditions are that the Medal may be awarded to a member of the Australian Defence Force who rendered service while posted to or serving as a member of the prescribed operation for a period of 30 days, or for periods amounting in the aggregate to 30 days. The restriction imposed by the 30 day requirement means that all operational service is not recognised. Note: Some operations have a lesser qualifying period.

In the case of the ‘FIJI’ operation in 2006, as a military Psychologist I was deployed to HMAS Kanimbla following the Blackhawk helicopter crash to provide psychological debriefing and support, I could not complete 30 days service as the operation was ended by Government decision. I therefore ask the house to:

Amend the regulations for the ASM to allow for greater discretion in its award, similar to the award of the Australian Active Service Medal, which requires 24 hours attached to an operation.

Or to allow for an award for less than 30 days service, if attached to the operation but unable to complete 30 days, if the operations ends prior.

To ensure categories of service person such as health professionals—who may be deployed for shorter periods than 30 days still have their service and contribution recognised.

by Mrs Irwin (from 1 citizen)

World War II Sex Slavery

To the Honourable The Speaker and Members of the House of Representatives

This Petition of the Friends of “Comfort Women” in Australia draws to the attention of the House:

The so called “Comfort Women” were systematically and forcibly put into military sexual slavery during WWII by the Japanese Army. The survivors deserve justice and time to restore their dignity is running out.

This is a women’s human rights violation recognised by UN reports, Amnesty International, and the US Congress as well as the Canadian, Dutch, EU and Taiwanese Parliaments and the Korean National Assembly.

We therefore ask the House to deliver justice to “Comfort Women” by voting on a motion in urging the Japanese government to, formally and unequivocally apologise to the victims, take legal responsibility and take historical responsibility by correct teaching of history.

by Mrs Irwin (from 923 citizens)

Petitions received.

Responses

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

Dear Mrs Irwin

Thank you for your letter of 8 May 2009 referring for my comment a petition presented to Parliament by Ms Anna Burke MP, the Member for Chisholm, regarding mandatory immigration detention and detention debt.

The Australian Government considers mandatory immigration detention an essential component of strong border control. In accordance with our election commitments, we have retained the system of mandatory detention, along with strong border security measures, to ensure the orderly processing of migration to our country.

In July 2008, in my ‘New Directions in Detention’ speech, I announced a fundamental shift in immigration detention policy. The reforms I announced include the introduction of seven ‘Key Immigration Detention Values’ to guide detention policy and practices into the future, and the implementation of a new processing regime for unauthorised arrivals on Christmas Island. In accordance with these values three groups will be subject to mandatory detention:

a. all unauthorised arrivals, for management of health, identity and security risks to the community;

b. unlawful non-citizens who present unacceptable risks to the community; and

c. unlawful non-citizens who have repeatedly refused to comply with their visa conditions.

I would note that most asylum seekers arrive in Australia lawfully and their claims are considered and processed while they remain in the community.

The Government’s Key Immigration Values take a risk-based approach to detention and seek a prompt resolution of cases, rather than focusing on punishment. The values commit us to detention as a last resort; to detention for the shortest practicable period; to the rejection of indefinite or otherwise arbitrary detention. My Department regularly reviews the situation of those in immigration detention to identify cases where alternative accommodation arrangements could be considered.

Currently, the Department utilises a number of programs which provide flexibility in the provision of services to people in detention. The range of such arrangements includes residence determination (community detention) overseen by a community organisation such as the Red Cross, detention in Immigration Residential Housing or Immigration Transit Accommodation and foster care arrangements (for unaccompanied minors).

The Government is interested in broadening these alternative detention strategies and it is in this context that I asked the federal parliamentary Joint Standing Committee on Migration (JSCM) in 2008 to inquire into immigration detention in Australia. The JSCM’s terms of reference include examining the preferred infrastructure options for contemporary immigration detention and inquiring into additional community-based alternatives to broaden the options available within the current immigration detention framework.

The JSCM is presenting its recommendations in three reports, the first of which, entitled Immigration detention in Australia: A new beginning - Criteria for release from detention, was presented to Parliament in December 2008. The second report, Immigration detention in Australia: Community-based alternatives to detention, was presented on 25 May 2009. The inquiry is ongoing and a subsequent report is expected to be tabled mid year 2009. Future policies on immigration detention will be guided by the recommendations of the JSCM reports.

Concerning the abolishing of immigration detention debt, I can advise that in line with the unanimous recommendation of the JSCM’s December 2008 report that the Government repeal the liability of immigration detention costs and waive existing debts, on 18 March 2009 I introduced the Migration Amendment (Abolishing Detention Debt) Bill 2009 in Parliament.

The Bill seeks to abolish the unjust and ineffective detention debt regime imposed on immigration detainees and will also extinguish all existing debts for current and former detainees. There will, however, be no refunds of debts already paid. People convicted of people smuggling or illegal foreign fishing will remain liable for their costs of detention and removal to act as a deterrent and to recognise the seriousness of these offences. The
liability for costs associated with the removal or deportation of unlawful non-citizens will also remain unchanged. It is expected that the Bill will be debated during the forthcoming Winter parliamentary session.

Thank you for writing to me about this matter.

from the Minister for Immigration and Citizenship, Senator Evans

Australia 2020 Summit

Dear Mrs Irwin

Thank you for your letter of 29 October 2008 to the Prime Minister regarding the Australia 2020 Summit. The Prime Minister has asked me to reply on his behalf, and I apologise for the delay in replying.

In the lead up to the Summit, the Prime Minister launched a dedicated website - www.australia2020.gov.au - to allow all Australians to participate in a national conversation about the country’s future. Thousands of submissions were posted to the website from all across Australia. The submissions could be viewed by anyone who logged on to the site.

The website continued to accept submissions until the release of the Government’s formal public response to the Summit in Perth on 22 April, 2009. In compiling the response, the Government gave full and due consideration to each of the 962 ideas generated at the Summit.

The Prime Minister is committed to continuing this open style of government that engages the community and welcomes new ideas as we work together to address the challenges of the future.

from the Parliamentary Secretary to the Prime Minister, Mr Byrne

Sri Lanka

Dear Mrs Irwin

Thank you for your letter of 8 May 2009 on behalf of the Standing Committee on Petitions concerning a petition on the Liberation Tigers of Tamil Eelam (LTTE) in Sri Lanka.

The petition requests the proscription of the LTTE as a terrorist organisation under Australia’s Criminal Code Act 1995 (the Criminal Code). Under section 102.1 of the Criminal Code, a ‘terrorist organisation’ is defined as an organisation that is:

(a) directly or indirectly engaged in preparing, planning, assisting in, or fostering the doing of a terrorist act (whether or not a terrorist act has occurred or will occur); or

(b) an organisation specified as a terrorist organisation in the Criminal Code Regulations 2002.

In situations where an organisation has not been listed by regulations, a court may still find an organisation to be a terrorist organisation if the prosecution can prove beyond reasonable doubt that the organisation is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act (whether or not a terrorist act occurs).

Where there is a basis for believing the activities of organisations are of security concern and where those organisations are within Australia’s jurisdiction they are investigated by the relevant law enforcement and security authorities. Australian law enforcement and intelligence agencies work closely with the corresponding overseas agencies and share intelligence information and resources. These are matters which are constantly reviewed by Australia’s security and intelligence services.

It would be inappropriate for me to comment on which organisations are being considered by the Australian Government for listing as a terrorist organisation under the Criminal Code.

You may be interested to know that the LTTE is listed under the Charter of the United Nations Act 1945 as a terrorist organisation for asset freezing purposes. Consequently it is a criminal offence in Australia to use or deal in assets owned or controlled by the LTTE, or to provide assets to the LTTE, whether directly or indirectly. This listing is in accordance with Australia’s obligations under United Nations Security Council Resolution 1373 of 28 September 2001. This list is administered by the Minister for Foreign Affairs, the Hon Stephen Smith MP.

I note that the other three terms of the petition are covered by the portfolio responsibilities of the
Minister for Foreign Affairs and thank you for also referring the petition to him.

I trust this information is of assistance to you.

from the Attorney-General, Mr McClelland

Redevelopment of Commonwealth Land

Dear Mrs Irwin

Petition regarding ABC property sale

Thank you for your letter dated 8 May 2009 and attached petition concerning the proposed sale of land owned by the Australian Broadcasting Corporation (ABC) at 600 Coronation Drive, Toowong, QLD.

The Australian Government provides an overall level of funding for the ABC but has no power to direct the ABC in relation to its property transactions. Under subsection 25(1) of the Australian Broadcasting Corporation Act 1983, the ABC has the power to acquire, hold and dispose of real or personal property.

The land at 600 Coronation Drive, Toowong is owned by the ABC, and was previously the site of the ABC’s Brisbane headquarters prior to its evacuation in 2007 due to staff health concerns.

In the case of the Toowong site, the ABC Board resolved that it should be sold by way of a full market tender. The sale of the property in this manner allows any entity, including government and semi-government entities such as the Queensland Government, or the Brisbane City Council, to participate in the sale process. The resolution of the Board in this case is in line with the Commonwealth’s Property Disposal Policies, that is, that properties should be sold on the open market and at full market value, provided there is no alternative efficient use for that property.

The ABC is required to fund the development of its new headquarters at South Bank and, as was noted by the former Government, proceeds from the sale of the Toowong site are to be invested into the new accommodation.

Thank you for bringing this matter to my attention.

from the Minister for Broadband, Communications and the Digital Economy, Senator Conroy

Gaza Strip

Dear Mrs Irwin

Thank you for your letter dated 11 June 2009, regarding a petition recently submitted for consideration by the Standing Committee on Petitions about Gaza and the West Bank. This letter responds to the petition, as requested by Standing Order 209(b).

The Australian Government was deeply concerned by the conflict in the Gaza Strip and southern Israel, as well as its impact on civilians. Throughout the conflict, the Government called on both Israel and Hamas to halt the violence, urged all parties to avoid actions which caused suffering to civilians, and consistently called on Israel to meet its humanitarian obligations to ensure the people of the Gaza Strip had access to basic necessities and humanitarian assistance.

The Australian Government fully supported United Nations (UN) Security Council resolution (UNSCR) 1860, which called for an immediate, durable and fully-respected cease-fire. Ongoing violence has underlined the importance of consolidating current arrangements into such a cease-fire. Consistent with UNSCR 1860, this will need to involve an end to arms smuggling into the Gaza Strip and rocket attacks on Israel, and the opening of border crossings into the Gaza Strip.

The Government also recognises that the provision of humanitarian relief to the population of the Gaza Strip is an urgent priority. On 1 March, I announced that Australia would contribute $20 million to assist the efforts of the Palestinian Authority, as well as UN agencies and other donors, to meet the recovery and reconstruction needs of the Palestinian people. The Prime Minister, Mr Kevin Rudd, appointed as his Special Envoy the Parliamentary Secretary for International Developmental Assistance, Mr Bob McMullan, to present this contribution personally to the International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza, in Sharm el-Sheikh.

This assistance was in addition to the $10 million which Australia committed in January for emergency and humanitarian relief in the Gaza Strip.
The Australian Government has now committed $75 million in assistance to the Palestinian people since the end of 2007.

These issues highlight that a lasting resolution to the Israel-Palestinian conflict can only be brought about through peaceful means. As I said on 19 May, the Australian Government is convinced that all efforts to secure a just and enduring peace must be made, and made now. The status quo, with all its ongoing uncertainties, insecurity and tragedies, is not acceptable. It is not in the interests of Israel, the Palestinians, the Middle East region or the broader international community.

The Government believes that a two-state solution must be the basis for resolving the conflict, based on a state for Israel, where its borders are respected and it lives in peace and security, and a viable state for the Palestinian people, where likewise they have defined and respected borders, and live in peace and security.

Both sides must also honour the agreements they have entered into, including under the Roadmap for Peace. This means that the Palestinians must continue to dismantle terrorist infrastructure and to halt violence and incitement. Equally, Israel needs to freeze settlement activity. A way must also be found, while ensuring the safety and security of Israelis, to ease restrictions on the movement of people and goods in the West Bank and to relieve the suffering of ordinary Gazans until the Palestinian Authority is able to resume its responsibilities in the Gaza Strip.

The Australian Government will continue to look for practical ways to support the parties achieve peace and security.

As the petition notes, the right to freedom of religion, including the right to change religion, is set out in Article 18 of the Universal Declaration on Human Rights.

In support of this right, Australia has consistently co-sponsored a resolution on the ‘Elimination of all forms of religious intolerance’ in the United Nations General Assembly’s Third Committee. This resolution urges states to “ensure that their constitutional and legislative systems provide adequate and effective guarantees of freedom of thought, conscience, religion or belief to all without distinction, inter alia, by the provision of effective remedies in cases where the right to freedom of thought, conscience, religion or belief, or the right to practise freely one's religion or belief, is violated”.

The Australian Government makes regular human rights representations to a number of countries, including those that place restrictions on freedom of religion. We will continue to be alert to opportunities to raise the issue of religious freedom, including the issue of apostasy, in our representations.

Thank you for bringing the petition to the attention of the Government.

from the **Minister for Foreign Affairs, Mr Stephen Smith**

**Religious Persecution**

Dear Mrs Irwin

Thank you for your letter dated 11 June 2009 about a petition submitted to the Standing Committee on Petitions regarding apostasy laws.

The Australian Government shares the view that Muslims, or indeed persons of any religion, should be able to choose freely to leave their faith and follow a new belief, without penalty.

As the petition notes, the right to freedom of religion, including the right to change religion, is set out in Article 18 of the Universal Declaration on Human Rights.

In support of this right, Australia has consistently co-sponsored a resolution on the ‘Elimination of all forms of religious intolerance’ in the United Nations General Assembly’s Third Committee. This resolution urges states to “ensure that their constitutional and legislative systems provide adequate and effective guarantees of freedom of thought, conscience, religion or belief to all without distinction, inter alia, by the provision of effective remedies in cases where the right to freedom of thought, conscience, religion or belief, or the right to practise freely one’s religion or belief, is violated”.

The Australian Government makes regular human rights representations to a number of countries, including those that place restrictions on freedom of religion. We will continue to be alert to opportunities to raise the issue of religious freedom, including the issue of apostasy, in our representations.

Thank you for bringing the petition to the attention of the Government.

from the **Minister for Foreign Affairs, Mr Stephen Smith**

**Coalmining**

Dear Mrs Irwin

Thank you for your letter of 9 June 2009 regarding the petition of supporters of the Caroona Coal Action Group submitted to the Standing Committee on Petitions.

As the Minister for Resources and Energy, I can assure you that the Commonwealth has an ongoing interest in ensuring mining and exploration are undertaken in an environmentally and socially responsible manner. However, while the Commonwealth has some powers under the Constitution that allow it to regulate certain aspects of mining activities, the states and territories are the main authorities for environmental management of most mines within their jurisdictions. Approval for exploration and mining leases and the regulation of mining operations is also a state and territory responsibility.
I also note that while exploration licences entitle companies to explore mineral and coal deposits, they do not permit mining or guarantee that mining will be permitted in the future. Strict conditions governing environmental and social impacts are attached to exploration licences, requiring any sites of disturbance to be restored and rehabilitated. The Commonwealth considers that before proposals with potential to impact on water resources are approved they should be properly assessed, including their potential impact on third parties.

I can assure you that the Commonwealth is aware of the importance of groundwater resources to Australia's agricultural production and concerns that potential mining developments may impact on groundwater resources. I work closely with my colleague the Minister for Climate Change and Water, Senator Penny Wong, on these issues as she has portfolio responsibility for these matters. I understand that Senator Wong will also be responding to your letter in due course and I have provided a copy of this response to her.

from the Minister for Resources and Energy, Mr Martin Ferguson

Pharmaceutical Benefits Scheme: Avastin
Dear Mrs Irwin
Thank you for your letter of 11 June 2009 regarding a petition recently submitted to your Committee about the availability of AVASTIN® (bevacizumab) through the Pharmaceutical Benefits Scheme (PBS) for the treatment of cancer.

I am pleased to inform you that from 1 July 2009, AVASTIN was listed in the Schedule of Pharmaceutical Benefits for the treatment of colorectal cancer (also known as bowel cancer). Initial use of PBS-subsidised AVASTIN will be restricted to treatment, in combination with first-line chemotherapy, of patients with previously untreated metastatic colorectal cancer with a World Health Organization (WHO) performance status of 0 or 1. Ongoing use of PBS-subsidised AVASTIN will be restricted to treatment, in combination with first-line chemotherapy, of patients with metastatic colorectal cancer who have previously been issued with an authority prescription for bevacizumab, who do not have progressive disease and who remain on first-line chemotherapy.

Further information about the PBS listing of AVASTIN is available on my Department's website at www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr09-mr-nr054.htm Details of the restrictions pertaining to the PBS listing of AVASTIN are available at www.pbs.gov.au
I trust that the above information is of use.

from the Minister for Health and Ageing, Ms Roxon

Dental Treatment
Dear Mrs Irwin
Thank you for your letter of 11 June 2009 enclosing a petition in relation to the cost of dental treatment and asking the House to enable more of the cost of dental treatment to be funded under Medicare.

I am pleased to inform you that the Australian Government implemented its election commitment to assist eligible teenagers to access important preventative dental services through the Medicare Teen Dental Plan, which commenced on 1 July 2008. Through this program, the Government is providing an estimated investment of over $490 million over five years so that around 1.3 million teenagers 12-17 years of age in families receiving Family Tax Benefit Part A, and teenagers in the same age group receiving Youth Allowance or Abstudy, can receive a voucher for up to $153.45 per person towards an annual preventative dental check.

From 1 January 2009, additional groups of teenagers have been included in the program. Eligible teenagers receiving Disability Support Pension, Parenting Payment, Special Benefit, Carer Payment or Double Orphan Pension, as well as those receiving assistance under the Veterans’ Children Education Scheme or Military Rehabilitation and Compensation Act Education and Training Scheme will be provided with a voucher for a preventative dental check.

Medicare Australia sends vouchers for each calendar year to eligible families and teenagers from mid-January, and sends vouchers to newly eligible teenagers during the calendar year.

The Government is also intending to provide $290 million over three years to the States and
Territories for around one million additional public dental visits for pensioners and concession card holders through the Commonwealth Dental Health Program (CDHP).

The Government has signalled its intention to close the previous government’s chronic disease dental scheme in order to make funding available for these new, better targeted dental programs. However, the Senate has prevented closure of the chronic disease dental scheme. This means that the Government has not to date been able to implement the CDHP.

The Government will continue to explore options with the Senate in an effort to improve access to dental treatment services through the CDHP. Meanwhile, the chronic disease dental scheme remains available to patients with chronic medical conditions and complex care needs and whose oral health is impacting on their general health.

I trust that the above information is of use.

from the Minister for Health and Ageing,
Ms Roxon
Murray-Darling River System

Dear Mrs Irwin

Thank you for your letter dated 9 June 2009 about a petition submitted to the Standing Committee on Petitions regarding a stock and domestic water supply scheme for the Cosgrove and Pine Lodge districts.

It is the responsibility of councils to ensure adequate infrastructure and service provision is equitably distributed throughout their local government area. To assist councils, the Australian Government has provided significant funding to local governments.

The Government is now providing record funding of over $1 billion for local government through the Regional and Local Community Infrastructure Program (RLCIP). The City of Greater Shepparton has already been allocated $1.348 million for local infrastructure under this Program. This was new funding over and above the funding the council receives from the Government through Financial Assistant Grants and Roads to Recovery.

On 25 June 2009, the Government announced an additional $220 million investment in local community and environmental infrastructure through the RLCIP, with the next round expected to commence at the end of 2009.

from the Acting Minister for Infrastructure, Transport, Regional Development and Local Government, Senator Conroy
Murray-Darling River System

Dear Mrs Irwin

Thank you for your letter of 9 June 2009 referring to a petition that was considered by the Standing Committee on Petitions on 25 May 2009, requesting funding for a piped stock and domestic water supply scheme for the Cosgrove/Cosgrove South and Pine Lodge districts.

The Australian Government recognises the immense challenge in tackling water scarcity in Australia, especially in the Murray-Darling Basin. The Government’s response is ‘Water for the Future’, a $12.9 billion strategy that aims to secure the long term water supply of all Australians through investment in strategic water programs, improved water management arrangements, and a renewed commitment to water reform nationally.

I am aware of the problems faced by users of the Shepparton Stock and Domestic Community Water Supply Scheme (the water supply scheme), including those within the Cosgrove/Cosgrove South and Pine Lodge districts. Within the Government’s overall strategy there are three initiatives which may be of interest to the water supply scheme members and their local councils.

As part of ‘Water for the Future’, the Government has agreed in-principle to fund ninety per cent of the cost of Stage Two of the Victorian Government’s Northern Victoria Irrigation Renewal Project (NVIRP), up to a maximum funding amount of $1 billion. The Department of the Environment, Water, Heritage and the Arts is in discussion with the Victorian Government regarding implementation of this commitment.

While Stage Two of the NVIRP is yet to commence, the Victorian Government began work on Stage One in May 2008. The water supply scheme members may wish to contact the NVIRP managing organisation at: http://www.nvirp.com.au to discuss their needs and whether this project can assist their situation.
Secondly, as part of the Nation Building and Jobs Plan, $200 million will be provided from ‘Water for the Future’ for local governments in the Murray-Darling Basin to undertake planning for a future with less water and for associated local water savings initiatives under a program titled ‘Strengthening Basin Communities’. The guidelines and eligibility criteria for the Strengthening Basin Communities program will soon be available on the Department’s website at: http://www.environment.gov.au.

In addition, I understand a proposal from the water supply scheme was considered by Water for Rivers but did not, in its current form, attract investment from that program. However, I am advised that the Water for Rivers organisation has indicated that it may be able to facilitate a meeting of key stakeholders in the project to review and discuss options for the future of the Cosgrove water supply system. I encourage the members of the water supply scheme to follow up on this offer.

Thank you for bringing the petition to my attention.

from the Minister for Climate Change and Water, Senator Wong

Dear Mrs Irwin

Thank you for your letter of 8 May 2009 concerning a petition to increase the microbrewery concession. I apologise for the delay in responding.

I note the taxation of alcohol falls within the scope of the comprehensive review of Australia’s tax system. While the terms of reference reflect the Government’s policy not to increase the rate or broaden the base of the goods and services tax the review has been asked by the Government to examine enhancing the taxation arrangements on consumption, including excise taxes.

Indeed the Review’s consultation paper, released on 10 December 2008, illustrates that the review team is very much aware of issues concerning the taxation of alcohol.

Additional information, including the terms of reference and a copy of the Treasury paper, can be found on the review website www.taxreview.treasury.gov.au or by calling the information line on 1800 614 133. The review panel is scheduled to deliver its final report to me by the end 2009.

I would also note that the Government announced some measures that will benefit microbrewers in my joint media release with the Hon Chris Bowen MP, the former Assistant Treasurer and Minister for Competition Policy and Consumer Affairs of 13 May 2008 (No. 53).

In general, the measures involve allowing small business to defer the settlement of excise and excise equivalent customs duties to a monthly cycle, rather than the existing weekly cycle and making changes to tax law so that eligibility for refunds, remissions and drawbacks of excise and excise equivalent customs duty can be streamlined and enhanced. These measures will benefit a number of microbrewers that are small businesses. Consultation on draft legislation will occur in the second half of 2009.

I trust this information will be of assistance to you.

from the Treasurer, Mr Swan

Permanent Residency

Dear Mrs Irwin

Thank you for your letter of 11 June 2009 concerning the petition presented to the Standing Committee on Petitions regarding permanent residence for New Zealand citizens permanently living in Australia.

I note the petition refers to the changes introduced in February 2001 and requests that legislation be amended so as to grant a permanent visa to New Zealand citizens who have permanently settled in Australia.

The Australian Citizenship Act 2007 (the Act) sets out the eligibility criteria that a person must satisfy in order to be eligible for Australian citizenship. Most adult migrants who apply for Australian citizenship by conferral have to satisfy the general eligibility criteria, including being a permanent resident (that is, be the holder of a permanent visa).

As you are aware, the Trans Tasman Travel Arrangement (TTTA) allows for Australian and New
Zealand citizens to enter each other’s country to visit, live and work, without the need to apply for authority to enter the other country. The arrangement recognises the special relationship between the two countries. People from other countries seeking to live and work in Australia must successfully apply for authority to do so.

Until 26 February 2001, New Zealand citizens who travelled under the TTTA were regarded as permanent residents for the purposes of an application under the Australian Citizenship Act 1948. However, they have never been considered permanent residents for the purposes of the Migration Act 1958 (the Migration Act).

On 26 February 2001, a revised social security arrangement was announced jointly by the Governments of Australia and New Zealand. On the same date, the Australian Government announced that most New Zealand citizens, particularly those arriving after this date, would need to apply for and be granted an Australian permanent residence visa if they wished to access certain social security payments, obtain Australian citizenship or sponsor their family members for permanent residence.

I am sympathetic to the concerns of New Zealand citizens who have been living in Australia long term, yet do not appear to have a clear pathway to Australian citizenship as they are not in a position to obtain a permanent visa. Many long term residents have made a significant contribution to Australia and consider themselves to be very much a part of this country, despite the fact that they are not Australian citizens.

My Department is in the process of reviewing this matter. The issues are complex and any changes to the current arrangements will involve a range of stakeholders and the Department has been involved in discussions with a number of agencies. The concerns raised in the referred petition will be considered in this context. That said, you will understand that there is no clear timeframe for this process and any outcomes will be some way off.

Thank you for bringing this matter to my attention.

from the Minister for Immigration and Citizenship, Senator Evans

Fiji

Dear Mrs Irwin

Thank you for your letter dated 24 June 2009 about a petition submitted regarding Fiji. The Government remains gravely concerned about developments in Fiji. The military regime continues to show contempt for the political and human rights and future prosperity of the people of Fiji. In conjunction with friends and partners in the Pacific, the Australian Government will do everything it can to return Fiji to democracy and the rule of law.

Thank you for bringing this petition to my attention.

from the Minister for Foreign Affairs, Mr Stephen Smith

Therapeutic Goods Administration

Dear Mrs Irwin

Thank you for your letter of 11 June 2009 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, regarding a petition in relation to the provision of Australian approved Product Information (PI) and Consumer Medicines Information (CMI) via a Therapeutic Goods Administration (TGA) website. As Parliamentary Secretary with executive responsibility for the TGA, I am responding on behalf of the Australian Government.

The proposal to make the PI and CMI documents available online from the TGA website is part of a business process review currently being undertaken by the TGA to improve access to information and enhance transparency around regulatory decision making. It will also mean that these documents will be available in a timely and reliable manner especially with respect to any safety updates. This practice is consistent with other comparable regulatory agencies such as the European Medicines Agency and the United States Food and Drug Administration. The business process review currently under way has been discussed with all major stakeholders including industry bodies and consumer groups.

The provision of the PI and CMI documents through the TGA website is seeking to enhance existing access arrangements and not to replace them. No change to the current system of distribution of these documents by sponsors or manu-
facturers of medicines is envisaged and the pattern of access by consumers, such as from the pharmacist when the medicine is dispensed, is not expected to be affected. It should be noted that some CMI documents are already available electronically from other sources such as the Pharmaceutical Benefits Scheme website, the National Prescribing Service website and the publication MIMS.

Each source serves to provide access to the PI and CMI in a different context and thus has an overall complementary and beneficial role in the wider dissemination of this information to the public.

I trust that the above information is of use.

from the Parliamentary Secretary for Health, Mr Butler

Dear Mrs Irwin

Thank you for your letter of 9 June 2009, concerning a petition regarding university funding recently submitted for consideration to the Standing Committee on Petitions.

Higher Education is central to achieving the Australian Government’s vision of a stronger and fairer nation. The Government is implementing a landmark reform agenda for higher education and research that will transform the scale, potential and quality of the nation’s universities and open the doors to higher education to a new generation of Australians.

A summary of the Government’s actions in relation to the issues raised in the petition are outlined below and comprehensive details of the reform package are available in the ‘Transforming Australia’s Higher Education System’ booklet. The booklet, as well as fact sheets on the reforms and their benefits, is available at:


1. Improve Commonwealth funding to reflect the real costs of delivering internationally competitive research and education, as well as allowing each institution to follow its own particular missions.

In the 2009-10 Budget, the Government announced additional support to the higher education and research sectors at a cost of $5.4 billion over four years. This includes funding of:

- $1.5 billion for teaching and learning.
- $0.7 billion for university research.
- $1.1 billion for the Super Science initiative.
- $2.1 billion from the Education Investment Fund for education and research infrastructure.

These measures will support funding for additional Commonwealth supported places and a new student centered funding system based on demand, increased indexation of higher education grants to reflect real increases in costs, and increased funding to meet the indirect cost of competitive research grants.

The Government will also introduce a new relationship between the Commonwealth and individual universities. By working in consultation with universities, the Government will develop mission-based compacts that define an institution’s particular mission and describe how it will fulfill that mission and meet the Government’s policy objectives.

2. Make access to higher education more equitable and affordable and improve student services at our universities.

The Government is committed to ensuring that Australians of all backgrounds who have the ability to study at university get the opportunity to do so.

To this end, the Government will provide an additional $394 million in funding, bringing funding to support low socio-economic status (SES) participation in higher education to a total of $437 million over the next four years. The increased level of funding will deliver:

- a new partnership program worth $108 million over four years to link universities with schools, vocational education and training providers, and adult education. This will promote leading practice, increase the aspirations of students and contribute to higher rates of education attainment from low SES students including Indigenous students and students from regional and remote areas.
- a student-related loading, worth $325 million over four years — including approximately...
$43 million from the existing Higher Education Equity Support Program. This loading will be based on the numbers of low SES students enrolled in institutions. Under this initiative, the loading per student will be increased from the current level under the Higher Education Equity Support Program of approximately $100 per student in 2008 to about $1140 in 2012.

In 2010, the Government will work with the higher education sector to develop a set of performance indicators. The indicators will include measures of success for equity groups as well as measures of the quality of teaching and learning. From 2012, new performance funding will reward institutions that meet agreed targets in key areas such as improving the quality of teaching and learning and the outcomes for students from low socio-economic backgrounds.

The Government is also introducing reforms to student income support that are critical to meeting the target of 20 per cent of higher education enrolments at undergraduate level being students from low SES backgrounds. This will have the effect of removing financial barriers to the participation in education and training of students from low socio-economic backgrounds and Indigenous students.

Subject to the passage of legislation, higher education providers that receive funding for student places will need to meet new requirements for student representation, advocacy and provision of information on access to essential services. The prohibition on compulsory student unionism will not be changed. The new arrangement will provide universities with around $170 million in 2010 to fund much needed amenities and services which are integral to student engagement and delivering a truly broad education experience at university.

3. Provide legislative protection for the distinctive characteristics of our universities, especially academic freedom and institutional autonomy.

The Government is committed to a new relationship with universities, a relationship which recognises the value of institutional autonomy while promoting excellence, supporting growth and maintaining international competitiveness.

The Higher Education Support Act 2003 embodies the values of academic freedom. The intentions of the Act include:

(a) supporting a higher education system that is characterised by quality, diversity and equity of access, and is appropriate to meet Australia’s social and economic needs for a highly educated and skilled population.

(b) supporting distinctive purposes of universities, including the creation and advancement of knowledge, and recognising that universities are established under laws of the Commonwealth, States and Territories that empower them to achieve their objectives as autonomous institutions.

(c) strengthening Australia’s knowledge base and the contribution of research to national economic development, international competitiveness and the attainment of social goals.

In addition to the above provisions, the National Protocols for Higher Education Approval Processes protect the standing of Australian higher education, including universities. The protocols require that institutions involved in Australian higher education delivery have a commitment to and support for free intellectual inquiry. The protocols have been agreed by all Commonwealth, state and territory higher education ministers and have been implemented in legislation in accordance with relevant jurisdictions under which they are governed.

The Government is committed to its reform agenda for higher education and research to boost Australia’s productivity and performance as a knowledge-based economy. The reforms are a major step towards an interconnected tertiary education sector that enriches Australia’s economic potential and wellbeing.

I trust this information is of assistance.

from the Minister for Education, Ms Gillard
**Borneo Barracks**

*Dear Mrs Irwin*

Thank you for your letter of 25 June 2009 to the Minister for Defence, Senator the Hon John Faulkner, concerning the petition on the future of Borneo Barracks recently submitted by the Hon Ian Macfarlane MP, the Member for Groom, on the behalf of Highfields Better Business. As this matter falls within my portfolio responsibilities, your correspondence has been passed to me for response.

While current Defence planning is to retain Borneo Barracks, the disposition of the Defence estate, including Borneo Barracks, will remain subject to the strategic and capability requirements of the Australian Defence Force as outlined in the Defence White Paper 2009.

It would therefore be inappropriate to comment on the future of Borneo Barracks or any other base at this time.

I hope this information will be of assistance to you.

*from the Parliamentary Secretary for Defence Support, Dr Kelly*

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**Indigenous Languages**

*Dear Mrs Irwin*

Thank you for your letter of 9 June 2009 to the Hon Julia Gillard MP, Minister for Education, forwarding a petition recently submitted for consideration by the House of Representatives Standing Committee on Petitions. The petition requested that the Australian Government develop a National Indigenous Languages Policy and establish a National Indigenous Languages Institute. I am responding as the Acting Minister for Education and I apologise for the delay.

The Minister responsible for Indigenous languages, culture and heritage is the Hon Peter Garrett AM MP, Minister for the Environment, Heritage and the Arts.

I have been advised that Minister Garrett has instructed his department to commence drafting an Indigenous Languages Action Strategy, and I understand the Strategy will be coordinated through relevant areas of Government. I look forward to the Department of Education, Employment and Workplace Relations collaborating with the Department of the Environment, Water, Heritage and the Arts and playing a key role in shaping the Strategy.

In developing the Strategy, there will be an opportunity to consider the Northern Territory Government’s policy to ensure Indigenous children are taught and learn in English for the first four hours of the school day. The learning of English is a fundamental skill that all Australians, including Indigenous Australians, must have to successfully progress through school and participate in life beyond school.

The Government recognises the important role Indigenous language learning plays in some schools. In Northern Territory schools, the teaching and learning of Indigenous languages and cultures may be scheduled during afternoon sessions.

The Government recently commissioned the Indigenous Language Programs in Australian Schools — A Way Forward report, which revealed that between 2006 and 2007 over 16 000 Indigenous students and 13 000 non-Indigenous students located in 260 Australian schools were involved in Indigenous language programs, covering over 80 different Indigenous languages.

Significant funding for languages education is being provided to the states and territories through the National Education Agreement, allowing jurisdictions flexibility to determine how funding is allocated. Funding can be used to support and maintain the many Indigenous language programs operating in government schools.

$56.4 million is also being provided over 2009 to 2012 through the Schools Assistance Act 2008 to support the teaching of languages, including Indigenous languages, in non-government schools.

I thank you for bringing this important matter to my attention and trust this information is of assistance.

*from the Minister for Education, Ms Gillard*

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**Youth Allowance**

*Dear Mrs Irwin*

Thank you for your letter of 25 June 2009, referring to a petition from people concerned about the proposed changes to student income support.
On 12 May 2009 the Australian Government announced a package of reforms to student income support to respond to the recommendations and findings of the Bradley Review of Australian Higher Education. The proposed reforms will increase access to, and better target, income support for students who need it most, through a fairer and more equitable allocation of existing resources.

More students will be eligible to receive Youth Allowance as a result of the changes the Government plans to make to student income support arrangements. Around 68 000 more young people will be able to access Youth Allowance in 2010 and almost 35 000 existing recipients will benefit from an increase to their payment as a result of an increase to the Parental Income Test threshold for maximum payment from $32 800 to $44 165 from 1 January 2010.

Many students who previously considered themselves forced to gain eligibility through the former workforce participation criterion for independence will now be eligible to receive Youth Allowance as a result of the increases to the Parental Income Test. They will not need to take a ‘gap year’ to do so.

Under the changes announced in the Budget, students from families with two children aged 18 years and over living away from home and a combined income of almost $141 000 may now be eligible to receive Youth Allowance, compared with around $107 000 for families with two students aged 18 years and over living at home. Previously, students in this age range and living away from home were not eligible for Youth Allowance through the Parental Income Test once their family income reached around $79 000, or $62 000 if at home.

In addition, the Government has proposed a new annual Student Start-up Scholarship of $2254 in 2010, and indexed in following years, which will be paid to each university student each year they are receiving income support. This is equivalent to around $43 per week. The full value of the scholarship will be provided to all university students receiving student income support, whether they receive a part-rate or full payment. These changes will benefit 146 600 students in 2010 and 172 600 students by 2013.

University students who need to move away from home to study may also be eligible for the new Relocation Scholarship of $4000 in the first year of study and $1000 each year following. This scholarship will be provided to dependent students on Youth Allowance and is in addition to the Student Start-Up Scholarship. Unlike the limited number of Commonwealth Accommodation Scholarships currently available, the Relocation Scholarship will be an entitlement for qualifying students and of particular benefit to those students from rural and regional areas. Importantly, many students will also qualify for Rent Assistance.

To fund these measures, the workforce participation criterion for independence under Youth Allowance will be tightened in line with the recommendation of the Bradley Review and funding redirected to students who need it most. The Bradley Review found that student income support was poorly targeted. It found that 36 per cent of independent students living at home and accessing student income support were from families with incomes above $100 000. The same survey estimated that 18 per cent of students in this situation came from families earning incomes above $150 000 and 10 per cent came from families earning above $200 000.

Students who have worked full-time for a minimum of 30 hours a week for at least 18 months in a two-year period since leaving school will still be considered independent but students who have undertaken part-time work or earned more than $19 532 over 18 months will not. Instead, many students who are no longer eligible through the workforce participation criterion for independence will become automatically eligible through the changes to the Parental Income Test.

To find out more, students and their parents may find it helpful to refer to a new online Student Assistance Estimator which allows prospective students to enter their parents’ income level and family type to gain an indication of the level of support they might expect to receive under the Government’s proposed changes to Youth Allowance. The estimator, together with a number of fact sheets providing more information on the proposed changes, can be found at: www.deewr.gov.au/youthallowance.
Centrelink will also be able to provide further advice on the new arrangements after the enabling legislation has been enacted.

I trust my comments are of assistance to the Standing Committee on Petitions and the petitioners.

from the **Minister for Education, Ms Gillard**

**Montevideo Maru**

Dear Mrs Irwin

Thank you for your letter of 2 July 2009 on behalf of several petitioners concerning the *Montevideo Maru* and the burial places of missing servicemen and civilians in Papua New Guinea.

The Australian Government appreciates the significance of recognising and, where appropriate, locating Australia’s marine heritage, including major shipwrecks from World Wars I and II. As you may be aware, the Government provided significant support to search for HMAS *Sydney II*, whose discovery brought comfort to many Australians.

While the sinking of the *Montevideo Maru* was a national tragedy, an international search for the vessel is not possible at this time. Unlike HMAS *Sydney II*, an Australian vessel located in Australian waters, the *Montevideo Maru* is an unflagged vessel and lies in the Philippine Exclusive Economic Zone. The Australian Government can protect vessels lying in Australian waters under the Historic Shipwrecks Act 1976, but cannot protect vessels lying outside Australian waters. Regrettably, the Philippine Government does not have similar legislation that could protect the *Montevideo Maru* if it were found.

Any search for the *Montevideo Maru* would alert shipwreck looters to the possible location of the wreck, which would threaten the wreck and the remains of those onboard. This would be unacceptable to the Australian Government, and forms the basis of the decision not to search for the *Montevideo Maru* at the present time.

I trust that this information will be of assistance to the Committee.

from the **Minister for Defence, Senator Faulkner**

Mrs Irwin—You can see, Mr Speaker, that our ministers have been very busy.

**Statements**

Mrs IRWIN (Fowler) (12.06 pm)—Today I rise to describe the current business of the Petitions Committee. Members are aware that this parliament has seen quite a bit of change on petitions. Petitions are an important component to the business of the House, because many who would otherwise feel entirely disengaged from the House feel able to deal with it directly through this long-established mechanism. Although petitions are a form established long ago, there is today a dynamic situation. The committee, new to this parliament, is often challenged by the intricacies they bring, and the deliberations of the committee frequently touch upon important philosophical aspects of the workings of parliament.

While petitions are ‘ancient’, they are also capable of being transformed so that they may maintain usefulness for contemporary times. I am sure members are aware that the committee is currently conducting an inquiry into electronic petitions, or ‘e-petitions’. I am not alone in regarding this aspect of the committee’s work as exciting. We are in regular communication with other parliaments as to their current practice in this area, and it is extremely interesting to see how this ties in with broader questions about the relevance of parliaments and their ability to engage their constituency. There are certainly concerns that parliaments are not managing to engage their constituencies. There are a number of avenues through which they might do this, including the educational and other work actively pursued by parliamentary officers.

However, as you will appreciate, Mr Speaker, the beauty of petitions, and e-petitions in particular, is that they provide a uniquely direct relationship with parliament.
This is one avenue where the person with a concern need not have a mediator in order to express a view in parliament. Moreover, in what we in the committee regard as a very important part of the process, petitions receive a response as we have seen today from a minister of the government. We in the committee do commend ministers and their departments for the timely and thorough way they are responding to petitions in this parliament.

There is an openness about this that is important. My colleagues on the committee believe this signifies much about the accessibility of parliament. In doing so, it works against some of the less positive perceptions of parliament that we encounter from time to time in our daily rounds. That is another reason we as a committee are so interested in e-petitioning. Here the advent of new ways to communicate online is a gift to parliament, if it is prepared to employ them.

We note that e-petitioning facilities at the Scottish parliament attract high levels of engagement from the Scottish people, both in terms of visits to the site and signatures against petitions. In England, parliament does not yet accept e-petitions, but the No. 10 Downing Street website, administered by the Prime Minister’s Office, does accept them and receives millions of hits and, indeed, on occasion millions of signatures. These are very active sites. They signal important possibilities for parliaments across the world, particularly in terms of contemporary thinking on the best way to maintain perceptions of relevance.

Of course, opening up a national parliament to electronic petitioning also involves some questions regarding procedure and how such a facility is to be designed and administered. The committee is considering these questions with the seriousness they deserve and anticipates reporting to the House by the end of the year.

**QUARANTINE PROCLAMATION AMENDMENT BILL 2009**

First Reading

Bill and explanatory memorandum presented by Mr Katter.

Bill read a first time.

**Mr KATTER** (Kennedy) (12.12 pm)—On indulgence, Mr Speaker, and my apologies to the House for being late. The Americans, it will be recalled, introduced immediately very serious subsidisation measures on the two occasions that the steel industry has been threatened. When their aluminium industry was threatened, they immediately moved for an international agreement on aluminium. This is done through the WTO. A lot of people in this place do not even remotely understand the WTO document. The WTO document has a specific provision that when an industry is under threat by an action, as the banana industry is in Australia at the present moment, then the government is entitled to take emergency measures to rescue or help that industry whether by subsidies, tariffs, or quotas—whatever action the government needs to take. In relation to AQIS and whatever they name the biosecurity arm—I am sure they will be changing the name again shortly because of its unpopularity—the government has an onus to disclose to the Australian people what is going to be the downside of that AQIS decision.

There is no question in this case that, if one box of bananas crosses the coast into Australia, then the jobs of 6,000 people who are employed in that industry will vanish within two years. Bananas in Australia are a very high-labour-input item, whereas the wages paid in the Philippines are $4.02 a day. I do not think we are going to be able to
compete against bananas produced by people who work for $4.02 a day.

AQIS must be the gang that cannot shoot straight. I have said in the House that, if you are just going to say yes to every application, could we please have the Kuridala CWA?

Honourable member interjecting—

Mr KATTER—Somebody said Kuridala does not exist anymore. Yes, it does not exist anymore. The Kuridala CWA ladies could put in a bid to do the biosecurity contract for next year, because if all you are ever going to do is say yes we could have a flock of galahs doing it.

There is citrus canker, which cost the state of Queensland and other parts of Australia nearly $100 million; the papaya fruit fly outbreak, which cost $120 million; the black sigatoka banana disease, which cost us over $100 million; and swine flu, which people everywhere are suffering. All of these diseases come in. This legislation is asking for a document that says to the Australian people what the ramifications of this decision are, so the government will then know what action they can, should and must take, in my opinion. I might add that, in the case of bananas, the pineapple industry will vanish and the backpacker industry in Far North Queensland, upon which our great tourism industry in Far North Queensland is based, will vanish as well. That will be 10,000 jobs. Mr Acting Speaker, we are allowed to introduce specific tariffs if the necessity arises.

The SPEAKER—Order! The time allotted for this debate has expired. The member for Kennedy has inadvertently described me as the Acting Speaker, I have not taken that as a reflection upon my carriage of duties.

Mr Katter—Sorry.

The SPEAKER—The bill has been read a first time and, in accordance with standing order 41, the second reading will be made an order of the day for the next sitting.

RENEWABLE ENERGY AMENDMENT (FEED-IN-TARIFF FOR ELECTRICITY) BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr Oakeshott.

Mr OAKESHOTT (Lyne) (12.17 pm)—I will start with a letter I received from Tindoz Solar Energy, based in Sydney. It says:

Dear Mr Oakeshott,

Tindoz has postponed her plans to manufacture PV crystalline solar cells in Australia due to lack of government support compared to Germany and various other countries. Tindoz still considers manufacturing PV solar modules in Australia but will build her first production facility in the Netherlands. I have heard that you strongly support a national gross feed-in tariff in Australia. Our company believes that a gross feed-in tariff can play a very important role in increasing the use of renewable energy in Australia and giving consistency to business.

Not only is this about business and providing some consistency to business, a message we heard last night with the passing of the renewable energy bill through this chamber, but it is also about engaging people. What we have seen increasingly over the last two months in watching the political mosh pit deal with this climate change debate is the science of climate change being dominated by the electoral cycle, by vested interests and, in an increasing number of cases, by political donors. This has to stop, and here is an opportunity to engage people in real change and a real move to a new economy.

A national feed-in tariff system is something that COAG is certainly looking at. However, I think it is time for further leadership and for government to really take up the concept of a national feed-in tariff system.
Mr Katter—The Germans have 50 per cent!

Mr OAKESHOTT—The Germans are leading the way in the delivery and the example of the benefits of a gross feed-in tariff system. We do not have to argue the rights and wrongs of the policy. Just about every state or territory in Australia has already done that. They have all held various inquiries and now we have a range of state and territory systems. Ironically, the best of those is the gross system in the ACT, and I say it is ironic because the last people to move on trying to get some national leadership and consistency across state and territory borders are in this place, in this building, in Canberra.

The absurd situation we now have on this government’s watch, in this climate change debate, is that towns such as Tuggeranong and Queanbeyan have different billing systems despite there being the same energy use in their houses. We have all the border towns now having a whole different system when we are supposed to have a borderless national electricity market with a national electricity grid and we are supposed to be seeing the government lead on the climate change agenda. Here is an opportunity through COAG for government to show some real authority and some real leadership in establishing a national, consistent feed-in tariff scheme, and the beauty of it is that it engages people. If people do better in their own houses, they benefit. At the moment in this climate change debate we are seeing a welfare system being established for the top end of town, and I think that frustrates people. It disengages people in this debate. If someone wants to do better in their own home, where is the opportunity for them to benefit?

If the government are not willing to support the Renewable Energy Amendment (Feed-in-Tariff for Electricity) Bill 2009—or, I might note, the amendments that Senator Milne has put up to the renewable energy bill that passed through this chamber last night—I ask them to look at the COAG processes and to bring to the top of the agenda the issue of a national feed-in tariff scheme. It has been sitting in the bowels of COAG for some time. It is a safe defence for government to say, ‘We’re looking at it through COAG,’ but people want to be engaged, and now is certainly the time to do it.

There are businesses on the line because of this. There are new-economy businesses which are investing overseas because Australia is slow on the uptake with regard to the renewable sector. I therefore strongly argue for government, either the executive or through COAG or through things such as their National Strategy on Energy Efficiency, to look at ways of including a national feed-in tariff in the scheme. I ask everyone to look at this bill and to think about supporting it. I would love the government to adopt it and for it to become part of the energy solution for the future.

Bill read a first time.

The SPEAKER—In accordance with standing order 41, the second reading will be made an order of the day for the next sitting.

COMMITTEES

Foreign Affairs, Defence and Trade Committee

Report

Ms PARKE (Fremantle) (12.22 pm)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the committee’s report, entitled Australia’s relationship with India as an emerging world power, together with the evidence received by the committee.

Ordered that the report be made a parliamentary paper.
Ms PARKE—This report on the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into Australia’s relations with India as an emerging world power has been more than three years in the making. The committee initiated this report in March 2006, during the 41st Parliament, and re-adopted the terms of reference on 27 August 2008.

As a member of both the joint committee and the Australia-India Parliamentary Friendship Group, and as someone who has recently been to India, it gives me great pleasure to speak to the tabling of this report.

At the outset, I would like to acknowledge the participation of the committee members for this inquiry, including those who participated during the previous parliament, and I wish to pay tribute to the secretariat staff for their hard work in producing this report.

This report highlights the development of India into a global and regional nation of enormous significance. It details the rapid economic growth that has occurred in India over the last decade and the vast market potential of its burgeoning middle class. It acknowledges India’s success as the world’s largest democracy and as a nation with an outward-looking and resolutely independent foreign policy. It also recognises the importance of India’s very substantial military capability.

The report notes the many opportunities for further developing Australia’s cultural, strategic, defence, business and trade relationships with India in addition to canvassing some of the challenges that India faces in reaching its full economic and social potential. The report acknowledges Australia’s role in assisting the Indian government with these challenges, especially through the work of AusAID, and it acknowledges the great advantages Australia has gained in the last decade through greater engagement with India.

Unfortunately, the timing and scope of the report could not encompass the tumultuous recent events related to the attacks that have occurred on Indian students in Australia, nor could it deal with the revelations involving immigration and education agents and institutions.

However, given the importance of Australia’s cultural, strategic and trade relationships with India, as clearly set out in this report, it is heartening to see the overwhelming commitment of the Australian community at all levels to the safety and wellbeing of Indian students, visitors and migrants in our community. This commitment has been matched and reinforced by the business, trade, law enforcement, tourism and education sectors in Australia.

With the improved understanding both within and between our nations that has arisen out of these unfortunate and regrettable incidents, it is hoped that India and Australia will continue to develop and enhance an already significant bilateral relationship.

During his recent visit to Australia, India’s External Affairs Minister, SM Krishna, said India attached importance to its relations with Australia and is ‘committed to further strengthening and expanding our relations to cover virtually every area of interaction’. Minister Krishna said India and Australia are looking to take relations between our countries to a ‘strategic partnership’, including a possible free trade agreement which would further boost our ties.

I note that the Prime Minister, Kevin Rudd, and the Minister for Foreign Affairs, Stephen Smith, will be visiting India later this year. This will be an important opportunity to reinforce the mutual commitment to this important relationship—a relationship that will be vitally important, particularly in the Indian Ocean region we share, as together we face challenges that include pov-
erty, climate change, financial instability, regional security issues and terrorism.

Our two countries have had strong links that are both substantial and symbolic. These links are evident in the tonnage and value of our two-way trade but are perhaps strongest in the sympathies of our national characters. There is a genuine and longstanding warmth and regard felt by Australia and Australians for India and its people which I believe goes beyond the oft-cited notion of 'cricket, curry and Commonwealth'.

Most importantly, we share a commitment to and a tradition of peaceful democratic progress towards better lives for our citizens and better conditions for all members of the global community.

**Migration Committee Report**

**Mr DANBY** (Melbourne Ports) (12.27 pm)—On behalf of the Joint Standing Committee on Migration, I present the committee's report, incorporating dissenting reports and a minority report, entitled *Immigration detention in Australia: facilities, services and transparency*, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be made a parliamentary paper.

**Mr DANBY**—It gives me great pleasure to present this report to the parliament.

The committee’s third report addresses the remaining terms of reference, which consider service provision, the infrastructure required to support the immigration detention framework for the future, and options to expand the transparency of services and infrastructure in Australia’s immigration detention facilities.

The committee acknowledges that the Australian government has made positive steps to introduce more appropriate and humane accommodation and facilities through immigration residential housing and immigration transit accommodation.

However, the committee observed that the standard of accommodation and facilities provided at immigration detention facilities was of serious concern, particularly at stage 1 at Villawood and the Perth immigration detention centre. Many detention facilities—in particular, the North West Point immigration detention centre on Christmas Island—have in place antiquated security measures such as razor wire.

The committee has therefore recommended:

- the reconstruction of stage 1 at Villawood;
- an upgrade of the Perth immigration detention centre;
- the removal of all caged walkways and electrified fencing from the North West Point immigration detention centre; and
- the removal of all razor wire from other immigration detention facilities.

This report also recommends that detention in immigration residential housing should be used in lieu of detention in immigration detention centres, provided that it is feasible.

In addition, the committee received evidence from a number of organisations that highlighted some serious issues relating to the provision of immigration detention services across all immigration detention facilities.

The committee and many other organisations continue to have some reservations about the capacity of the Department of Immigration and Citizenship to shift to a risk-averse framework where the onus is on establishing the need to detain. In view of the report, the primary concern of immigration
detention authorities should be the wellbeing of the detainees.

The committee has made the following four key recommendations which are intended to ensure that people in immigration detention, both onshore and offshore, are provided the same level of appropriate service:

- that the Australian National Audit Office undertake a full review of the current immigration detention service providers and immigration detention facilities within the next three years;
- that the Department of Immigration and Citizenship introduce a mandatory ongoing training program for all staff of the immigration detention service provider;
- that the department publish the detention service standards, or the current equivalent, on its website; and
- that the Australian government maintain appropriate physical and mental health facilities on Christmas Island.

Lastly, the committee has also recommended that there should be improved transparency of services and infrastructure in Australia’s immigration detention facilities by:

- providing the media greater access to all immigration detention facilities, whilst maintaining the privacy of people in immigration detention;
- publishing regularly updated information on all immigration detention facilities; and
- developing a set of public media protocols that apply consistently across all immigration detention facilities.

I would like to thank all who have participated in this inquiry, particularly those who have made written submissions or given evidence at public hearings. The secretariat and the members of the committee have laboured very hard. We have now produced three very comprehensive reports on immigration detention, which in my view is a great corpus of knowledge for this parliament and for this country. I would also like to express my sincere appreciation of members of the committee, including the deputy chair, who is on the other side of the House, who have participated during the course of this inquiry and who are committed to ensuring that our immigration system treats all people, regardless of their status, in a humane and compassionate manner while protecting Australia’s borders in a robust and fair immigration system. I think the corpus of our three reports shows that both of those ideals can be achieved at the same time, in contrast to some events of the past.

Mrs VALE (Hughes) (12.32 pm)—I am pleased to speak on the release of this report of the Joint Standing Committee on Migration, Immigration detention in Australia: facilities, services and transparency. This is the third of three reports under the terms of reference of our inquiry into immigration detention in Australia. The first report addressed the criteria that should be applied in determining how long a person should be held in detention, the criteria that should be applied in determining when a person should be released from immigration detention following health and security checks, and review mechanisms for ongoing detention, removal practices and detention debts.

I would like to take this opportunity to say how pleased I was that the government moved so quickly to implement the committee’s recommendation regarding detention debts in the passing of the Migration Amendment (Abolishing Detention Debt) Bill 2009 during the last sitting period. In the 13½ years I have been here in the parliament and working as a standing committee member, this is one of the first occasions I can
clearly recall when one of our committee’s recommendations has been taken and implemented by the government, and I was pleased to support the government on this humane measure. The second report, tabled earlier this year, addressed alternatives to detention. It also recommended that the government reform the bridging visa framework to ensure it supported those released into the community.

This final report looks at options to expand the transparency and visibility of immigration detention centres. It also looks at immigration infrastructure and detention services, including health services for contemporary immigration detention. Evidence was given to our committee by many notable organisations and individuals, including A Just Australia, Amnesty International Australia, Asylum Seekers Centre, Australian Red Cross, Balmain for Refugees, House of Welcome, Mercy Refugee Service, Brotherhood of St Laurence, Detention Health Advisory Group, Law Institute of Victoria, Liberty Victoria, Refugee and Immigration Legal Centre, Commonwealth Ombudsman, Department of Immigration and Citizenship, Centrecare, Uniting Church of Australia, ASIO, the United Nations High Commissioner for Refugees, GetUp! and the Australian Human Rights Commission.

The evidence received by the committee was valuable and helpful in our deliberations as we came to our recommendations to the Minister for Immigration and Citizenship. Amongst other things, the committee recommends the reconstruction of stage 1 at Villawood in Sydney, the upgrade of the Perth Immigration Detention Centre, the maintenance of appropriate physical and mental health facilities on Christmas Island and the use of more appropriate security measures at all immigration detention centres.

The committee also recommends that detention in immigration residential housing should be used in lieu of detention in immigration detention centres, provided that it is feasible. It is noted, however, that secure detention will continue to play an important role in the immigration system. The committee recommends that the Australian National Audit Office undertake a full review of the current immigration detention service providers and immigration detention facilities within the next three years. The committee would then want this review fed into the contracts for either the next re-tender or a renewal process.

Finally, the committee makes recommendations with regard to increasing transparency in immigration detention. The committee recommends the Australian Human Rights Commission be granted a statutory right of access to all detention centres and people in detention. The committee also recommends that the media be granted greater access to detention facilities and that regular information on all immigration detention facilities and statistics on detainee population be published.

I believe that the recommendations to come from the three reports of this committee are a natural evolution of the actions of the previous coalition government. This started when the coalition moved to prevent children and families being held in detention centres and instead ensured that children and their families were appropriately housed in residential housing within the community. In this regard I acknowledge the contribution and hard work of the member for Pearce, the former member for Cook, Bruce Baird, and the member for Kooyong, who is also a member of this joint standing committee. Further, it should be noted that the previous coalition government moved to close down detention centres. Woomera was closed in
2003, Port Hedland was closed and Baxter was closed in August 2007.

The DEPUTY SPEAKER (Ms AE Burke)—The time allotted for making statements on the report has expired. Does the member for Melbourne Ports wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr DANBY (Melbourne Ports) (12.36 pm)—I move:
That the House take note of the report.

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

Migration Committee

Report: Referral to Main Committee

Mr DANBY (Melbourne Ports) (12.36 pm)—by leave—I move:
That the order of the day be referred to the Main Committee for debate.
Question agreed to.

Treaties Committee

Report

Mr KELVIN THOMSON (Wills) (12.36 pm)—On behalf of the Joint Standing Committee on Treaties, I present the committee’s report entitled Report 103: treaties tabled 12 March and 13 May 2009.

Ordered that the report be made a parliamentary paper.

Mr KELVIN THOMSON—Report No. 103 of the Joint Standing Committee on Treaties reviews three treaty actions:

• the Agreement between Australia and the Socialist Republic of Vietnam concerning the Transfer of Sentenced Persons;
• the Convention on Cluster Munitions; and
• the Agreement on Employment of Spouses and Dependents of Diplomatic and Consular Personnel between Australia and the Portuguese Republic.

In each case the committee has supported the proposed treaties and recommended that binding treaty action be taken.

I will direct most of my remarks to the Convention on Cluster Munitions.

Cluster munitions are bombs, artillery shells and rockets that fragment into small bomblets known as submunitions. One cluster munition can spread up to hundreds of submunitions.

Cluster munitions are the subject of a convention because their broad area of effect and the fact that submunitions often fail to detonate mean they have a significant impact on civilian populations. Their use results in large areas of land being contaminated with highly dangerous unexploded submunitions.

In the short term, unexploded submunitions expose civilians returning to areas of conflict to the danger of being killed or injured. There have been over 13,000 recorded civilian casualties from discarded submunitions.

In the longer term, the suspected presence of unexploded cluster munitions prevents the use and rehabilitation of vital infrastructure, including roads, schools, markets and farms, until expensive and arduous clearance activities have taken place.

The convention was signed in December 2008 and will come into force six months after it has been ratified by 30 states. As of July 2009, 98 states had signed the convention and 14 states had ratified. The convention will require Australia to:

• never develop, produce, acquire, stock or transfer cluster munitions;
• never assist anyone in any activity prohibited under the convention;
• only retain limited stocks used for training purposes;
• provide assistance to cluster munitions victims in areas under Australia’s jurisdiction or control;
• provide to other states parties technical, material and financial assistance to clear unexploded submunitions, and for the economic and social recovery needed as a result of the use of cluster munitions in these jurisdictions;
• criminalise any activity prohibited under the convention; and
• encourage other states not party to the convention to sign and ratify, with the goal of attracting universal adherence.

As with any important measure of this sort, the chief thing is how to ensure the implementation follows both the letter and the spirit of the convention.

The committee is concerned that some of the terms contained in the convention are not clearly defined and may provide an avenue by which Australians could inadvertently contravene the humanitarian aims of the convention.

To prevent this, the Australian government and the Australian Defence Force should ensure that, when drafting the domestic legislation implementing the convention, and when developing policies by which the personnel of the ADF operate, the humanitarian aims of the convention cannot be legally contravened.

To achieve this, the committee recommends that the Australian government and the ADF have regard to certain issues when drafting the legislation required to implement the Convention on Cluster Munitions, and when developing policies under which the personnel of the ADF operate. These issues are:

• the definition of the terms ‘use’, ‘retain’, ‘assist’, ‘encourage’ and ‘induce’ as they apply in articles 1, 2 and 21 of the Convention on Cluster Munitions;
• preventing inadvertent participation in the use, or assistance in the use, of cluster munitions by Australia; and
• preventing investment by Australian entities in the development or production of cluster munitions, either directly, or through the provision of funds to companies that may develop or produce cluster munitions.

The committee is of the view that ratification of the convention will reaffirm Australia’s commitment to limiting the impact of armed conflict on civilian populations, and will significantly improve the lives of people affected by cluster munitions. The convention will also permit Australia to continue to cooperate militarily with its allies.

The committee has also supported ratification of the Agreement between Australia and the Socialist Republic of Vietnam concerning Transfer of Sentenced Persons, which will assist with prospects of rehabilitation and reintegrating prisoners into society, and the Agreement on Employment of the Spouses and Dependants of Diplomatic and Consular Personnel between the Government of Australia and the Portuguese Republic. (Time expired)

Australian Crime Commission Committee Report

Mr HAYES (Werriwa) (12.42 pm)—On behalf of the Parliamentary Joint Committee on the Australian Crime Commission, I present the committee’s report, incorporating additional comments, on the inquiry into the legislative arrangements to outlaw serious and organised crime groups, together with evidence received by the committee.
Ordered that the report be made a parliamentary paper.

Mr HAYES—Before I go into a little detail regarding this report, I want to start by expressing my sincere appreciation to all those people who contributed so much to the conduct of this particular inquiry. I would like to thank my colleagues on the committee itself, particularly the chair, Senator Hutchins, and the many law enforcement experts, lawyers and other interested parties who contributed to the inquiry, whether by written or personal submissions to the inquiry. A very special thank you needs to go to the committee secretariat, headed up by Dr Jacqueline Dewar and ably supported by Robyn Clough, Nina Boughey and Danielle Oldfield. I thank them for all the assistance that they provided and the most professional way in which they discharged their duties on behalf of our committee.

By way of background, in 2007 the committee found that Australia faced an increasing threat from serious and organised crime and transnational crime and that, while there were a number of legislative and other arrangements in place, these alone may not have been effective in combating the contemporary threats being posed. In fact, it is estimated that the cost to the Australian economy through criminal enterprise is in the order of $15 billion each year. Given the substantial harm to our society and our economic activity, in March 2008 the committee initiated an inquiry into the legislative arrangements to outlaw serious and organised crime groups. To ensure that our framework of disrupting and dismantling serious and organised crime is as effective as possible, it was noted it would be of some value to examine the effectiveness of approaches taken in other international jurisdictions. In April 2009 I was lucky enough to be part of a delegation that visited North America, Europe and the United Kingdom to examine international trends in serious and organised crime and the legislative and administrative approaches adopted by a number of those jurisdictions in tackling both domestic and transnational crime.

The delegation reported to the House on 25 June and identified a number of areas of concern but also a range of approaches which had been effective in addressing serious and organised crime. These fell into five categories: the importance of following the money trail, the need for information sharing and greater cooperation amongst law enforcement agencies, the benefits of developing measures to prevent organised crime rather than simply reacting to it, the critical role that political will plays in combating serious and organised crime, and the need for governments to take a holistic approach in tackling organised crime through a whole package of legislative and administrative measures. It became crystal clear in visiting a number of jurisdictions and through the evidence given to the committee that law enforcement strategies which target the business model, financial assets and material assets of organised crime groups were far more critical in disrupting criminal enterprise. Many jurisdictions found that there was a fundamental shift in the way law enforcement tackles organised crime with the focus being on the money trail. Raffaele Grassi of the Italian National Police best articulated this approach when he told the committee that criminal ‘members are prepared to spend time in prison, but to take their assets is to really harm these individuals’.

It should be known that a number of jurisdictions, including the UK, Italy and, here in Australia, Western Australia and the Northern Territory already have adopted legislative measures that reverse the onus of proof, enabling authorities to restrain assets that appear to be additional to an individual’s legitimate
income and require the individual to demonstrate that those assets were obtained by legal means.

The security of the nation is the highest priority of this government. The Prime Minister, in his nation security statement in December last year, assured Australia that we would act on that. Indeed, in June of this year the Attorney-General introduced into the House the Crimes Legislation Amendment (Serious and Organised Crime) Bill, which delivers on that assurance. The committee supports and recommends that the unexplained wealth provisions of the bill be enacted. (Time expired)

Ms LEY (Farrer) (12.47 pm)—I also welcome the opportunity to comment on the tabling of this report into the legislative arrangements to outlaw serious and organised crime groups by the Parliamentary Joint Committee on the Australian Crime Commission, of which I am a member. Like the member for Hayes, I also thank the secretariat, ably led by Dr Jacqui Dewar and her team Nina, Robyn and Danielle, for the hard work that they have done. It is very easy for us as members and senators to turn up to meetings and ask questions. The real hard work goes on behind the scenes.

This committee examined the effectiveness of legislative efforts to dismantle and disrupt serious and organised crime groups and the associations within those groups. We received 24 submissions and held nine public hearings. Seven recommendations were made. The Liberal members of the committee made additional comments, which I commend all interested in the subject to, and they are to be found at the rear of the report.

In looking at organised crime, I as a new member to the committee felt that I had a window on an area of activity—illegal of course—in Australia that most people would not be familiar with. It is certainly the case that we are all familiar with the arguments against confiscating the proceeds of crime, preventing the association of known criminals and all of the civil libertarian—if I can call them that—arguments that are put forward by those on that side of the argument. But when you see the other side and you look into the rather deep, dark world of criminal activity and what goes on there you certainly feel, as I did, that we as parliaments and legislators need to take very strong measures against criminals and their networks. We need to identify what actually is organised crime in order to tackle it properly. The committee found that serious and organised crime means the following are in existence: substantial planning, sophisticated methods and techniques used, a crime committed in conjunction with other offences and a crime is serious within the meaning of the Proceeds of Crime Act.

Recommendation 1 is about improving the data we collect on criminal groups and their memberships in order to develop an accurate national picture of what organised crime is apart from the technical definition, because only then will we be able to make the arguments to those who provide the resources—and they will not be inconsiderable—in the fight against organised crime. We as separate jurisdictions within this country must overcome the natural difficulties of sharing the data that state policing services and state crime commissions collect. Recommendation 1 was very important from that point of view.

One of the things that struck me was the changing nature of criminal activity. As the circumstances in which organised crime operate become more and more complex, legislative tools will need to evolve rapidly in order to match and meet the needs of that criminal environment. Groups are no longer there because of their geography, their ethnicity, their demographics or because they
have a commonly held interest. They come together and disband as the opportunities arise in what is increasingly a purely professional and business way. Where there is a criminal opportunity to make serious money, they say, ‘Let’s come together from disparate areas of previous involvement in crimes, work on this particular opportunity and then disband again.’ That makes them very difficult for law enforcement to track. If the groups operate in this increasingly fluid network, we need flexibility and innovation in our legislative framework and in our law enforcement. Increasingly, organised crime networks are making better links, if I can put it that way, with the legitimate world and legitimate sources of revenue. They have respectable legal fronts operating in terms of their tax, business structure and their exchange of finance. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—Order! The time allocated for statements on this report has expired. Does the member for Werriwa wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Mr HAYES (Werriwa) (12.51 pm)—I move:

That the House take note of the report.

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

Australian Crime Commission Committee Report: Referral to Main Committee

Mr HAYES (Werriwa) (12.51 pm)—by leave—I move:

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

Question agreed to.

PRIVATE MEMBERS’ BUSINESS

Defence Procurement

Debate resumed, on motion by Mr Bald- win.

That the House:

(1) notes that:

(a) in February 2009, the Rudd Labor Government awarded a $40 million dollar contract to an American Company for the development of nine Joint Light Tactical Vehicle prototypes; and

(b) the Rudd Labor Government failed to consider an Australian Defence Industry Manufacturer as a possible supplier;

(2) condemns the Rudd Labor Government for failing to recognise Australian defence industry’s capability and expertise in delivering Military Vehicles;

(3) acknowledges that the contract for 1300 vehicles will be in excess of $1.3 billion and would support over 250 direct jobs and hundreds more indirect jobs in Australia;

(4) acknowledges the economic and social contribution to the Bendigo community of the successful Bushmaster project; and

(5) calls on the Rudd Labor Government to immediately provide funding to the Bushmaster plant at Bendigo to enable it to progress Australian designed and built prototypes for consideration in the replacement program.

Mr LINDSAY (Herbert) (12.52 pm)—This is the motion put forward by the member for Paterson. Unfortunately, he is unable to be with us this afternoon so I am here to present his thoughts. This matter is about the development of a new light protected mobility vehicle for the Australian Army. Under phase 4 of LAND 121, Project Overlander, defence will acquire light protected mobility vehicles which will perform roles including command and control, communications, reconnaissance and electronic warfare. This is a major capability acquisition, and one that offers Australian industry a unique opportunity to build on its existing experience in
building light armoured vehicles. Yet, remarkably, the Rudd Labor government has decided against supporting Australian industry.

In October 2008, when the former Minister for Defence, Joel Fitzgibbon, announced that Australia would join the United States Joint Light Tactical Vehicle Program, there was no mention of support to Australian industry. Again, in February 2009 when the Rudd Labor government awarded $40 million to American companies for the development of nine joint light tactical vehicle prototypes, it failed to consider an Australian defence industry manufacturer as a possible supplier. The Minister for Defence Personnel, Materiel and Science, the Hon. Greg Combet, has said on many occasions that his government will ensure that Australian industry is given the opportunity to compete for work. However, this is just more droning rhetoric from a government without substance. This government has shown that it is willing to provide $40 million of Australian taxpayers’ money to US companies without, at the very least, offering equal financial support to comparable Australian industry—most notably Thales in Bendigo, Victoria.

The Rudd Labor government will try and argue that Australian industry has had an opportunity to compete for the work, but it is simply not true. Australian industry were only given the opportunity to tender for the work as part of the request for proposal process some eight months after it was announced that defence will join the US Joint Light Tactical Vehicle program, and four months after providing US companies with $40 million worth of funding. This has left Australian industry behind the eight ball.

I strongly support the concept of providing equality of opportunity to the Australian defence industry. It is in our nation’s interest and that is what I am arguing for today. I am not advocating preferential treatment and I am not advocating that defence procure equipment from Australian industry at any cost. I am simply arguing for equality of opportunity for the Australian defence industry. When the Rudd Labor government awards $40 million to US companies without financially supporting Australian industry, this is not equal treatment.

We do have a strong track record of developing and delivering light armoured vehicles. The success of the Thales Bushmaster project in Bendigo is evidence of this. Thales will deliver a total of 737 Bushmasters to the ADF and export 72 Bushmaster vehicles to the Netherlands. More importantly, no soldier has lost their life while riding inside a Bushmaster, despite numerous encounters with improvised explosive devices. As recently as last week I heard comments from the Chief of the Defence Force in relation to how good our Australian Bushmaster vehicles are and how well they protect our soldiers in the line of duty. Ian McPhedran, a defence journalist currently in Afghanistan, recently quoted troops saying that the Bushmaster was the vehicle of choice for protection against IEDs and that the protection they provide is second to none. It stands to reason that a company that has been able to deliver such a highly regarded vehicle receive the same financial support that American companies receive for their work on developing a protected light mobility vehicle.

The contract for the protected light mobility vehicles will be for approximately 1,300 vehicles and is worth in excess of $1.5 billion dollars, according to the latest Defence Capability Plan. How much exactly is unknown due to the vagueness of the document but, importantly, the contract would support over 250 direct jobs and hundreds more indirect jobs in Australia. The economic and social contribution to the Bendigo community would be particularly welcome. It is only
because of the continuing opposition from local industry, particularly Thales, and lobbying from the federal opposition that Australian industry has even been invited to participate. Again, all the rhetoric accounts for nothing, and the local Bendigo community should, in fact, be looking at their local member for his lack of support and lack of foresight. Therefore, I call on the Rudd Labor government to immediately provide funding to Australian industry to enable it to progress Australian designed and built prototypes for consideration in the protected light mobility vehicle program.

Mr Gibbons (Bendigo) (12.57 pm)—When they invented the term ‘hypocrisy’ it was the Liberal Party they had in mind. This motion is a prime example of Liberal hypocrisy, incompetence and sheer laziness. Let us examine the facts. The Department of Defence announced the Land 121 phase 4 vehicle replacement program, the biggest vehicle replacement program in the history of the ADF. Part of this program will replace some of the ADF’s existing Land Rover fleet with light armoured protected mobility vehicles. On 26 February 2008 then Parliamentary Secretary for Defence Procurement issued a media release outlining initiatives designed to assist the Australian defence industry, stating:

The announcement of these programs fulfils Labor’s election commitment to emphasise preference for Australian content and require tenderers to develop detailed strategies for involving Australian industry to the greatest possible extent

The member for Paterson was silent.

On 29 October 2008 the then defence minister, the member for Hunter, issued a statement saying the government had joined the US Joint Light Tactical Vehicle program, which was developing similar prototypes. The same media release said Australian defence manufacturers would also be given the opportunity to participate in the Land 121 vehicle replacement program, including the protected light mobility vehicles. The member for Paterson remained silent. I issued a media statement on 18 December 2008, published on the front page of the Bendigo Advertiser on 19 December, welcoming the announcement and pointing out the opportunity this presented for Thales in Bendigo. The member for Paterson, totally oblivious to this course of events, remained silent.

Australia joined the US JLTV program because there are no Australian manufacturers currently producing this type of vehicle. In fact there are no US manufacturers currently producing this type of vehicle. Thales Australia produces the highly successful and world-beating Bushmaster Protected Mobility Vehicle with a gross weight of around 15 tonnes, and the US is currently producing the 30-tonne MRAP protected vehicles. The PMV-light specifications call for a gross vehicle weight of just seven tonnes.

The Australian government, in line with our election commitments and the statements I mentioned earlier by the previous minister and parliamentary secretary, directed Defence to engage with local industry in late February 2009 on the PMV-L program as per our election commitment. The new Minister for Defence Personnel, Materiel and Science released a request for proposal specifications that will facilitate Australian manufacturers’ involvement on Friday, June 12.

The Australian government is determined to provide the best protection available for our fighting men and women. That is why it signed up for the US JLTV program and that is why we are engaging local manufacturers to test their capability in producing Australian prototypes to test against the US vehicles. To do otherwise would be irresponsible and extremely dangerous. This is precisely the same procedure followed by the Howard government when Thales won the original
contract to provide Bushmasters to the Australian Defence Force.

The member for Paterson fails to acknowledge that the former Howard government tried to torpedo the Bushmaster contract on several occasions and had to be dragged kicking and screaming into finally providing, through the Bushmaster program, the best protection for our fighting forces available in the world. Thales has a next generation protected mobility vehicle on the drawing board, based on the outstanding success of the Bushmaster platform. Now, in line with Labor’s election commitment and the statements mentioned earlier, Thales will have the opportunity, along with other Australian manufacturers, to bid for funding to develop Australian prototypes. I have been in regular contact with Thales representatives and I am more than confident that Thales’ next generation vehicle will compete successfully with any vehicle produced anywhere in the world.

The member for Paterson is a Johnny-come-lately to this vehicle replacement program debate. He had no idea of the potential for local manufacturers in the PMV-L project until a story appeared on the front page of the Bendigo Advertiser quoting a prominent Bendigo business leader expressing concern over the government’s involvement with the US JLTV program. We know the member for Paterson is not the sharpest tool in the shed, but his level of laziness and, indeed, incompetence are not only mind-boggling but very, very dangerous, especially if he should ever have carriage of a defence portfolio in government. His ridiculous attempts to be seen to be driving this issue and claiming the credit for the government’s decisions are now exposed and would be simply laughable if the protection of our fighting men and women was not so serious and this government’s top priority. As I said earlier, when they invented the term ‘hypocrisy’ it was the Liberal Party they had in mind. When they invented the terms ‘lazy’ and ‘incompetent’ it was the member for Paterson that they had in mind.

**The DEPUTY SPEAKER (Ms AE Burke)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.**

**HIGHER EDUCATION SUPPORT AMENDMENT (2009 BUDGET MEASURES) BILL 2009**

**Second Reading**

Debate resumed from 13 August, on motion by Ms Gillard:

That this bill be now read a second time.

Mr CHEESEMAN (Corangamite) (1.02 pm)—I again rise to speak on the Rudd government’s Higher Education Support Amendment (2009 Budget Measures) Bill 2009. As I was saying, to make sure that the objective of deciding whether institutions have met their targets or not is realised by people with the best available knowledge, the government is setting up a new agency, the Tertiary Education Quality and Standards Agency. Another key question is whether the media will be able to use this information to create league tables for universities. Quite frankly, I do not see a problem with that. The public interest demands that universities be held accountable for their performance. Some of the information generated should of course be in the public domain. I think that students, parents and the Australian and international public have a right to know how our universities are performing in these areas. After all, it must be remembered that the performance targets will be individual targets negotiated with individual universities. I think that what we are putting in place provides incentives for universities, encourages talent broadly and is open and transparent.
Obviously the level of change that we are talking about here is quite sweeping. We certainly could not be accused of being a faint-hearted government when it comes to education reform. We recognise that significant adjustments are required of universities. To support continuing transformation in the sector, $400 million will be provided over four years for structural adjustment. This includes $200 million for the capital component of structural adjustment provided through the third round of the Labor’s Education Investment Fund. This funding will promote long-term sustainability in the sector by assisting universities in making strategic decisions about their future mission and possible ways to enhance their place in the new education environment. It will replace the existing Diversity and Structural Adjustment Fund and will support broader strategic and capital projects. In particular, the new fund will lay the groundwork for the provision of more sustainable higher education in regional areas ahead of decisions being taken on a better model of longer term funding for regional delivery.

The higher education sector will of course need time to adjust to the post-Bradley environment. The government will undertake further work throughout 2009 to better identify the issues facing regional provision, taking into account the changes in the operating environment, including the impact of the move to a more demand driven system. The government will consult with the sector in undertaking this further work. Without doubt, some regional and outer metropolitan universities may be affected by the move to a demand driven system in 2012. Funding for structural adjustment will support institutions that choose to reconsider their strategic direction as a result of this reform. Some universities may find that focusing research funding leads to reduced access to research funding. Regional institutions in this position will benefit from the opportunities and incentives for institutional collaboration in the shared deployment of research infrastructure, facilities and personnel through the Collaborative Research Networks program.

Regional universities play an enormous role in many rural and regional communities. In my own electorate of Corangamite, Deakin University is our largest employer. It is also one of the keys to the great change that must take place in our region, which is transitioning from a dirty brown industry base with a high-carbon footprint to a new low-emission high-technology future. Deakin is already playing a part in this transformation, and it is critical that this university is supported to achieve that. Deakin University is like a lot of regional and metropolitan universities. It is looking to carve out a particular niche where it can make a difference to the world and, of course, the region that it operates around. It is with great pleasure that I have spoken on this bill and I commend it to the House as another great Labor bill.

Mrs HULL (Riverina) (1.07 pm)—I rise today to speak on the Higher Education Support Amendment (2009 Budget Measures) Bill 2009 because I want to raise the issue of this policy being at odds with the rest of the minister’s policy. I will go, first of all, to the minister’s second reading speech, wherein she explained that the bill was to amend the act to:

... provide for an increase in funding to address Australia’s historically poor record in increasing participation by low SES students.

The minister went on in her speech to say:

This goal will be directly supported by the injection of additional funding for universities to support the low SES participation targets.

She talked about the barriers to increased higher education participation by students from low socioeconomic backgrounds and...
she talked about ‘helping teachers raise the aspirations of their students’. She said:

Programs might include scholarships, mentoring of teachers and students, curriculum and teaching support or hands-on activities run by university staff in schools.

She talked about students from disadvantaged backgrounds and how they could perhaps benefit from the changes made within this bill.

Next I would like to go on to talk about and to reiterate some of the concerns and issues that have been raised with my office as a result of the minister’s changes to the Youth Allowance criteria. Basically, we are told that, on the one hand, what this bill is doing is trying to support those low SES people to be able to get to an education institution—to be able to get to university, so to speak. But then, on the other hand, the legislation that the minister has introduced with the changes to Youth Allowance precludes exactly those people from getting a university education. I am just going to take the time to read onto the Hansard for the minister just a small snippet of the many hundreds and hundreds of complaints that have come into my office on this particular issue of Youth Allowance. As I said in relation to this bill, the desire is to get those from low SES areas into university education.

I have a letter here, addressed to me, which says:

I have like many others in my year have decided to go into the workforce for the year to earn $18,000 so we will have financial support from the government.

However, by the government changing the terms of gaining youth allowance it forced those in rural communities who do not have easy access to public transport, or university to stay in work force for an extra 12 months. This increased burden has a negative impact on rural students wanting to persevere with university; as motivation decreases it becomes easier to stay in the work force then to go into a different environment and seek a further education.

I am disappointed and frustrated because the Labour government is supposed to support the working class in gaining the same level of access to education and health as the business class. However this will not be apparent if the legislation for a change in the youth allowance is passed.

I am not going to put any names to these letters but they certainly are available for tabling at any stage. The next letter I will refer to it talks about the issue of the Youth Allowance changes in the 2009-10 federal budget. It says:

I completed my Higher School Certificate in 2008—

And that was at a particular college in Wagga Wagga—

My hard work and consistent effort throughout the year paid off and I was able to attain entry to Monash University in Melbourne where I plan on studying … .

The letter continues, saying that the course chosen is rarely offered to rural students and so the author:

… decided I would take a gap year and earn $19,532 to receive youth allowance during my course. I was well on my way to earning this amount, when it was announced on May 14th 2009 that this would no longer be available, and instead I would have to work thirty hours a week for eighteen months. This decision is so ridiculously unfair, that I am going to give the federal government the benefit of the doubt for not carefully thinking through the consequences this would have on current gap year students. Not only do I feel as though I’ve wasted a year that could have been spent studying towards my degree, I am unsure how I will be able to afford to live in Melbourne and therefore am reassessing my options.

The author then speaks about the offer of relocation scholarships. She says:
I am aware that the proposed changes included ‘relocation scholarships’, however, to be eligible I need to first qualify for youth allowance which is now increasingly difficult. The same worries apply to many of my peers from school. Out of the top ten UAI earning students, six of us decided to take a gap year to help pay for our university degrees such as law, international relations, medicine, journalism and Asian studies. However, if these proposed eligibility changes are passed, we may be forced to take a second gap year. This will be highly problematic as very few institutions will allow students to defer for more than twelve months, and thus our offers will lapse.

The letter goes on, and it is very articulate, basically indicating that the government is saying one thing and doing another as in many of the cases that I am pointing out here as relevant to this particular bill. This letter goes on to talk about the effect that this bill will have on rural students. It says:

The effect that this change will have on rural students will be radical, as the expense of university and living away from home will deter many students from earning a degree. For example, the shortage of doctors in rural areas is often reported; however, this will only decrease if these changes are passed through senate. Very few families would be able to pay for their child through seven years of medicine without government support…

The next letter that I would like to quote from says:

My primary concern is for those students who completed their HSC in 2008, and on the basis of the rules existing at that time made the decision to defer their university position and seek full time work in order to earn the money required to satisfy the independent youth allowance requirement.

Where does this decision leave these young people now? It is a travesty that the government has made the decision to leave these young people adrift… they must now decide whether they should shelve their university plans (unfortunately a likelihood for many—particularly those in rural areas where it will be particularly difficult to qualify now), or delay their transition to university for a further 12 months—an eternity for young people who had the promise of university in 2010 within their grasp. The thoughtfully considered hopes, dreams, and aspirations of our future leaders should not be ‘toyed with’ at whim, and I am absolutely disgusted at the lack of sensitivity of the government to this group of young people.

This letter also relates to the government on the one hand saying that they are going to enable low-SES students to gain access to university and then, on the other hand, absolutely precluding them. This letter goes on to say:

This is even more important for country youth who often do not get the option in many cases to live at home while they study… which adds hugely to the financial load of post school study for the family. This is just another example of lack of empathy, and more simply understanding of the functioning of rural communities. To give you an idea of accommodation costs—the costs of accommodation per annum at ANU is now around $13000—a cost in many cases not incurred by city dwellers who have a choice of university, each of which may be accessible by public transport and within reasonable distance from their homes. I predict even further decreases in young rural people articulating to university as a result of this… and that would also tell you that the skill base of rural communities will be further undermined.

The next point that was put into one of these selected snippets that I have just hurriedly grabbed is from a parent who talks about her son:

He is also doing voluntary work and has taken up lessons to learn French at night in preparation for his uni course in International Studies/Law. He has taken a gap year in good faith that the Youth Allowance will be available to him, providing that he kept his end of the bargain (ie earned money). He also opted to forgo uni this year as my husband lost his job in February and we still need to meet our financial commitments. Stretching to accommodating a uni student was just going to be beyond our means … (We are already supporting our daughter—
who is at university.
I believe that our son has been honourable and
mature in his decision. We are very worried that
he may have to postpone uni even longer. Can
you please reassure us that—

your—
response will be to oppose the proposed changes
to the Youth Allowance.
It seems to me that rural students are once again
disadvantaged. Our son cannot do his course at—
the local university—
as it is not offered, so he must go to a metropoli-
tan university. He will not have the option of con-
tinuing to live at home as students in Sydney—
and other metropolitan cities—
may have. He, or we, have no choice but to foot
the bill for his accommodation … At this stage
we are aware that this may be around $15,000 for
each year of the course.
He is a clever young man, who was school cap-
tain … he has a social conscience. He has a po-
tentially bright future as a high earner and a con-
tributor to the community. It just seems unfair
that for him the rules change halfway through the
game.
That is another instance of a person referring
to the fact that the government, in the Higher
Education Support Amendment (2009
Budget Measures) Bill 2009, has said that it
wants to give access to university to low-
SES students but is precluding access.

This is a young lady who did this work, mind
you—working on the harvest, driving a trac-
tor and working on a building site, so keen
was she to get to university. The parent talks
about the employment prospects for her in
the local area being absolutely zero, and this
parent is absolutely right. The letter goes on
to say that she is now down at the Central
Coast living with family friends trying to
find work, but that is very difficult. They go
on:
Should the changes to Youth Allowance be im-
plemented it will be almost impossible for rural
students to find a full time job for 30 hours a
week for an average of 18 months out of two
years. Potential students will have to defer studies
… and leave home. At present Universities only
allow students to defer for one year so students
will have to work full time, live away from home
and try to study as well.
The next letter asks:
How do you study at university, relocate to the
cities AND work a 30 hour week? How is it going
to effect our children and their future and the fu-
ture of rural Australia? Many prospective univer-
sity students have taken responsible action in
gaining employment, waiting 12 months before
starting university (known as a gap year) and
saving as much as they can to help with the costs
of university.
The next one talks about a girl who works
part time waitressing. She uses youth allow-
ance to pay the monthly rent. She has had to
change accommodation three times due to
increasing rent charges. She could never
have lived and studied in Melbourne without
the help of youth allowance, but now the
next child in the family is in this most dire
predicament. The parents say:
Families from regional areas have so many disad-
antages against them, when their children need
to study away from the area. The cost of rent,
travel and food is extensive and we all depend
very much on the Centrelink Youth Allowance.
We have a son and daughter still in high school
and both wish to further their study after Year 12.
To think that children will “fall into” a full time job of approximately 30hrs per week, after leaving school is just fanciful. Especially in this economic climate, with more work opportunities disappearing each day.

It just goes on and on. I could continue to talk about these issues, but what disturbs me greatly is that these are smart people—intellectually brilliant, in many cases. They are able to eke out a living off the land, and probably not one of us here in this House could do that. They are by no means low-value people. But rural people are being treated as low-value people, because every time the minister stands at the dispatch box and tells us that the changes to the youth allowance are good for us, she is treating every one of these people—around 33,000 of them, in fact—like they are idiots. They know what these changes mean. They are not misunderstanding them. They are not idiots; they can read; they know; they are very intelligent people. They know that the changes are catastrophic for them. So every time the minister says that these concerns are all in our minds, that they are all froth and bubble, and that what these people are constantly writing to us about is just a furphy, she is literally abusing the real integrity of these people. They do know what the changes mean. They are not stupid. For the minister to continually say, ‘You don’t understand,’ is belittling and demoralising to each and every person who lives in rural Australia and who knows that these changes are going to impact on them badly. They know how much these changes are in contrast to what the minister says in her second reading speech that she is trying to achieve.

When you look at the second reading speech, you think, ‘How could the same minister pull out this speech at the dispatch box and then pull out another speech to do literally exactly the opposite, and that is: preclude those from rural areas—which are the low SES areas—from gaining an education. It is not right. It is not justice. It is not fair. We will be opposing the changes. We will try to take away the retrospectivity, because that in itself is just so unfair. I am hopeful that, when we get into government next time, we will change that 30-hour week. I did so much work to try to exclude any work test for those kids who are studying high workload degrees such as medicine, dentistry, vet science and others, so that they would not have to compromise their study in order to go out and be a lifeguard or this or that to try to meet the test—and put off or defer their degrees in medicine, dentistry, allied health and other areas where there are desperate shortages in rural and regional areas.

This must be changed, and the opposition are determined to change this. The Nationals are absolutely determined that this cannot succeed, because you cannot discriminate against rural students and families like this. It is unjust and simply an inequity for those Australians who live in these low SES areas.

Ms GEORGE (Throsby) (1.26 pm)—Following my colleague the member for Riverina, I am always interested in what she has to say, because I think she is a very good representative of her local constituency, and no doubt she speaks with a great deal of passion about the individual cases that she referred to in her contribution. But I would make the point that the member may not have alluded to in any great detail that many of the people she talked about in the House today will in fact continue to be eligible for the youth allowance with the increase in the parental income cut-off. The member shakes her head. I do not know the answer to that, but I do believe that she has a genuine concern about the issues of equity; it is just a pity that, as a member of a government for more than a decade or so, the broad issues to do with equity in higher education and the rates of participation of people from low SES
backgrounds was an issue that was left very much on the backburner. That is an issue which is very much at the forefront of the Minister for Education’s concerns. I think that for the first time, as I will get to in my contribution, the issue of equity is going to be very much centrestage of the minister’s reform agenda for the future.

I am pleased to be able to speak on the Higher Education Support Amendment (2009 Budget Measures) Bill 2009, because it does chart the beginnings of the reform of the higher education sector; and that, coupled with all the changes that are occurring through the Building the Education Revolution—the new national partnerships, the huge investment in capital works, the new programs to enhance teacher quality, and the programs to deal with disadvantaged schools—is really ushering in the most exciting changes in education that I can recall. I was a young teacher in the days of the Whitlam era, and that era brought in massive changes and made it possible for students from poorer backgrounds to access the opportunities that education brings. I know that the minister has a personal commitment to make sure that we do better in the future. The bill before us today begins that reform process, and it addresses some of the issues that were very much at the forefront of our concerns when we were in opposition.

We consistently expressed to the community our concerns about the decline in public expenditure on postsecondary education, particularly by comparison to other comparable OECD nations, and the clearly occurring shift in funding from public sources onto the shoulders of students and their families, both domestically and, in many cases, internationally, to cover up the shortfalls in commitment from the Howard government. Alongside that shift of funding to private sources, it is not surprising that there was a consequent erosion of opportunities for students from lower socioeconomic backgrounds.

I take the point made by the member for Riverina that that decade or so had a profound effect on the rates of participation of young people from regional Australia. I think that clearly comes through in the analysis undertaken in the Bradley report. But, going into the election, we promised a substantial increase in public funding and a program of long-term reform. It was very clear to all that investment in education is so important in global terms, that we were losing ground against our competitors and that, as a nation, we had squandered and failed to invest the proceeds of the boom years. Our national participation and attainment in higher education, in fact, saw us slipping down on the OECD tables, and we needed to do more to ensure that our economy prospered in a globally competitive environment where investment in knowledge and human capital was going to be so much more important.

As we all know, the minister commissioned Professor Bradley to undertake the review, and she set out some very bold recommendations: a national target of at least 40 per cent of 25- to 34-year-olds having achieved a bachelor qualification by 2020; very importantly, setting a target that by 2020 20 per cent of higher education enrolments would be of people from low SES backgrounds; recommendations that went to the heart of reforming student income support, as we have heard in the contribution just preceding mine; the longstanding issue of the indexation formula and proposals to revise that formula for base funding, which I know has been a major concern of the academic union and the sector generally; and the move to introduce a demand-driven entitlement system—not a voucher system but a demand-driven entitlement system.
Following from the Bradley review the government looked at, I think, 46 recommendations that were made. In relation to some of them we have already made it clear that we will embark upon the route of ensuring that by 2025—we have taken the time line a bit further than the Bradley report—we see 40 per cent of all 25- to 34-year-olds with a qualification at bachelor level, which is going to be a significant boost from today’s figure, which I think is about 32 per cent. Secondly, this bill will also begin the process of transition arrangements as we move to funding unis on the basis of student demand. We will provide in this bill the budgetary measures that will begin the process of funding on the basis of student places, we will revise the indexation arrangements, we will establish a new regulatory agency and we will bring into being some institutional performance targets.

But, as the minister explains in her second reading speech, after a decade of neglect we are not going to turn the world upside down in one or two budgets. But this is the beginning of the process of reform, and the year 2012 will see these major reforms begin to take effect. The bill proposes a new system of allocating student places at a cost of $490.6 million over the next four years. On projections, it is anticipated that this will lead to an additional 50,000 student places by 2013. There is provision to allow for a small overenrolment for the institutions in this transition period. We are also providing interim funding arrangements to move to a new indexation formula, as well as $202 million for the Diversity and Structural Adjustment Fund and a significant boost to research funding that was announced in the budget. Additional funding of $436.9 million over 4 years will be targeted at supporting increased participation for low SES students, with around $30 million in this financial year. This is an important first step in our commitment to boost participation of low SES students to 20 per cent of enrolments by 2020, an issue which I said earlier was very much on the backburner in the Howard era.

The investment of $491 million over the next four years will significantly increase public university places, and it is our intention, as I understand the commitments, that from 2012 places will be uncapped, meaning that if universities accept appropriately qualified students for recognised courses then the government will fund that place. This will certainly help in achieving our national goal and ambition of 40 per cent of Australians in the 25- to 34-year age group having a bachelor’s qualification.

But, in achieving that very ambitious target, of course we will need to increase the proportion of students from underrepresented backgrounds, and I want to spend most of my comments on that very important issue. I do so because education is the key to success for many in our community and it is the means of providing the opportunities for students from lower SES backgrounds and from backgrounds where a parent might be unemployed or a sole parent to get the benefits that we all know tertiary education brings. Of course, in the era of conservative rule in this country prior to Whitlam, we saw tertiary education very correlated to the income levels of parents, so kids like me were very much in the minority in having any chance to go to university, and it was usually only because you happened to either win a Commonwealth scholarship or get a teacher’s scholarship that you were able to knock on those hallowed doors that had been the preserve of the elite and the wealthy in our community.

The Whitlam era fundamentally transformed that. There are so many people I know in this chamber today who are the beneficiaries of the free tertiary education
that happened in that era and, subsequent to that, there have been changes with the introduction of HECS. But what we have seen is a disappointingly constant percentage of low-SES students participating in higher education despite everybody’s best efforts. I am pleased that the Bradley review investigated in some detail this very important national issue of inequity in higher education participation and concluded:

Australia has not provided equal access to all groups in our society.

The report points to the underrepresentation of not just people from lower SES backgrounds but young people from regional and remote Australia and, very obviously, the low participation rates among Indigenous Australians. The Bradley report showed that the participation rate for low-SES students overall in Australia was around 15 per cent, much lower than the overall 25 per cent representation of people in the general population.

In answer to some questions on notice a couple of years ago when I was looking at the breakdown of the participation rates in my own local university, the University of Wollongong, the data showed that they were pretty much at that level. Wollongong university is a fantastic institution. As a regional university it does incredibly well on a range of scores and is always at the top end—just recently it was awarded five stars on a number of indicators. But, despite its best efforts, it was obvious that the life chances of children in the electorate of Throsby were not significantly different from those of their parents’ generation. The Bradley report argued that a student from a high-socioeconomic background is about three times more likely to attend university than a student from a low-SES background. Her report shows that the participation rates that I have referred to have remained relatively unchanged since 2002.

What I find interesting in the data is that once at university it appears that a student’s background does not negatively affect their chances of completing the course they undertake. But quite distinct differences exist in low-SES participation by type of institution or university, by the course undertaken and by the field of study. Not surprisingly, low-SES students are even more poorly represented in the G8 universities, poorly represented in the fields of architecture and law and grossly underrepresented in the fields of medicine, dentistry and economics. Those findings correlate with the exact breakdowns that I have for the University of Wollongong.

Not surprisingly to the nation, the statistics from the Bradley review confirmed that Indigenous people are incredibly underrepresented and it showed again that, while the underrepresentation is very obvious, an equally important issue for Indigenous students is that of success and retention once enrolled. I know a number of universities, including my own, have specialist Indigenous units that assist in the process of mentoring and encouragement. The Bradley review concluded, and this is my fundamental belief too:

Social inclusion must be a core responsibility for all institutions that accept public funding, irrespective of history and circumstances.

That is right. Why should the honest hard-working families in the electorate of Throsby, who pay their taxes for the provision of good public services, find when they look at the representation of the children of those families in post secondary education that the measures are so distinctly inadequate? The minister does not find this good enough either, she, coming from her background, is very committed also, as I am, to see the nation achieve this objective of 20 per cent representation by 2020.
The bill commits $437 million over four years to reward those universities that enrol more students from low-SES backgrounds. Part of that money is targeted to funding robust partnerships between universities and schools. We all know that patterns of social and educational disadvantage are experienced well before people reach the point of considering whether attending university is possible and relevant for them. In my wildest dreams when growing up I would never have thought that one day I might be at university and that goes for lots of children from working-class families.

It follows therefore that programs that focus solely on the higher education sector can only partially influence the problems and come up with the solutions. We know that endemic educational disadvantage begins in the earliest years of schooling and is often reinforced by low achievement and parental influences. We need improved efforts to increase school retention and student achievement, and to raise aspirations with regard to the chances of people going on to higher ed. We need more outreach programs and pathways that circumvent competitive entry based on academic achievement alone, such as teacher recommendations or other forms of interviews that I know apply in some of our tertiary institutions. Certainly, more scholarships and financial incentives for students from rural communities and for Indigenous students would also be required.

One way of tackling this is to change the university admission process so that innate ability rather than required knowledge is better tested. Several universities I believe are already trialling uniTEST for students who may have experienced difficulties or disadvantage at a crucial time in their schooling which might have affected their final results. The vice-chancellor at Macquarie University said recently that the uniTEST trial showed students selected by this method have done as well in their first undergraduate year as students admitted normally.

Another approach is to encourage and help early-promise students persist through to the HSC. I know that the University of Western Sydney has run a Fast Forward program since 2004 for students in years nine and 10 who show potential but are considered at risk of dropping out before year 12. Currently, their program involves 23 schools with activities including coaching, mentoring and talking to the parents. According to the vice-chancellor of the University of Western Sydney:

The challenge is to reach this partially invisible cohort of students before they decide about the rest of their lives, and to encourage them to aspire to go to university.

I have read also that recently the University of Sydney, my old alma mater, has launched a social inclusion program which forges relationships with two local schools, Marrickville and Kogarah High, and their feeder schools. So there is a range of good innovation out there to help the government achieve its objective.

In an article that I recently read, the vice-chancellor of a university—I think it was the University of Western Sydney—referred to this issue as a social problem. She said:

This is a social problem. It belongs to all of us and we will have to work collaboratively to fix it.

Once students from disadvantaged backgrounds gain entry to university they will often require higher levels of support to succeed, including financial assistance and greater mentoring and other forms of support. We have allocated funding in this budget to provide such incentives. I understand the loading for students from disadvantaged backgrounds will increase substantially to around $1,100 in 2012.

In conclusion, I commend the Minister for Education for her bold reform program in the
higher education sector. I particularly want to commend her for her passionate commitment to ensuring that children from poor backgrounds are able to achieve the benefits that education provides to our community—not just to the individuals but the community generally. As a nation wanting to compete on the world stage, our investing in human capital and in becoming a knowledge economy is going to be increasingly important, and I am glad that this reform agenda at the heart of it ensures that the doors of higher education will open for a new generation of Australians who have previously often been in the position of missing out.

Mr SECKER (Barker) (1.46 pm)—I have been listening to the debate on the Higher Education Support Amendment (2009 Budget Measures) Bill 2009 quite carefully and it certainly seems that those on the other side, quite properly, are interested in low-SES students and Indigenous students, but—funnily enough—there has been hardly a mention of rural people, of country students. That does not seem to be an issue for those on the other side.

This debate over the deregulation of the higher education sector, whilst meritorious in part, has recently become utterly meaningless for about 30,000 young Australians in rural areas. This is an estimate of the number of young Australians who have achieved outstanding year 12 results and who have just had their aspirations for university wiped out by the changes in the dependent youth allowance eligibility criteria announced by the Rudd government in the May budget. Most of these are rural and regional Australians. Many come from my electorate. They are high-achieving rural and regional students whose parents earn more than $40,000 but not enough to find the $15,000 to $20,000 per year that it costs to send a young person to university in the city hundreds of kilometres away.

Previously, students could receive the independent youth allowance if they had worked at least 15 hours a week for 18 months after leaving school or had earned $19,532 in an 18-month period. Many young people in my electorate are currently on their gap year, which they undertook in the expectation of working hard to reach the $19,532 level. The current criteria for youth allowance eligibility are critical and absolutely essential to many students in my electorate being able to access further education. The Rudd Labor government, in a clear slap in the face to rural students, has decided that from January next year young people will have to have worked 30 hours a week for 18 months in a two-year period to qualify for independent youth allowance so that they may undertake further education.

We cannot turn back the clock. That is an impossibility. It is unachievable; it is an impassable imposition on rural and remote Australians. Young people in rural and remote areas in my electorate will find it very difficult, if not impossible, to find 30 hours of work a week for at least 18 months in the midst of the economic downturn. Indeed, at any time that is more difficult in rural areas than it is in the city. Many young people in my electorate live in small communities with very few employment opportunities, particularly in low-skilled jobs. Some larger towns have a number of jobs available but young people do not have the skills to get them because they are fresh out of school. Young people have to compete for a small number of low-skilled jobs against many other job seekers with greater skills and experience. Rural and regional young people may be forced to stay at home to reduce the costs for their families. This could limit their study opportunities. The debate today about flexibility for institutions and responsiveness to student demand will fall on deaf ears with regard to those students, who will now be
denied a university education because their only avenue to achieving essential income support has been taken away. It has been taken away by a bill which has not been introduced in the parliament. Further, their Commonwealth scholarships are being taken away. I am very concerned that the Commonwealth scholarships are being abolished when the bill introducing the replacements is yet to be introduced into the parliament.

Parts of my electorate are 450 kilometres away from the nearest university in Adelaide or Melbourne. This does not mean that rural and regional students do not aspire to university. Notwithstanding the tyranny of distance, unreliable broadband and fewer resources, rural and regional students achieve high TER rankings. In a very competitive environment they secure hard-to-get places in courses only available in the city. They and their families then face the significant costs of relocation to the city and ongoing accommodation and transport costs in order to take up these places.

The Commonwealth Learning Scholarships Program was introduced by the Howard government in 2004 and later renamed the Commonwealth Scholarships Program. That program, which is about to be withdrawn by this bill, incorporated the Commonwealth accommodation scholarships and the Commonwealth education costs scholarships; facilitated choice in higher education; and increased higher education participation by students from—amongst others—regional and remote areas.

The Howard government recognised that the cost of accommodation was a significant burden for students from regional and remote areas who needed to move away from home to commence higher education. Commonwealth accommodation scholarships provided students from low socioeconomic backgrounds from regional and remote areas with $4,324 per year, indexed annually, for up to four years to assist them with accommodation costs when they moved to undertake higher education.

This bill abolishes these Commonwealth scholarships which have helped tens of thousands of students realise their university dreams. While there are measures in the budget to replace the scholarships, they are contained in a bill that has not even been introduced yet and they are contingent on qualification for youth allowance, which just got harder to achieve for thousands of young Australians. It would have made more sense to consider the two bills together. Perhaps the government are still reeling from the amount of opposition coming from rural and remote Australia to their changes to youth allowance eligibility. I sincerely hope that, before the bill is presented, they will remove the offending changes, which unfairly target rural and regional students, or at least make exception for those who have to travel long distances.

As a representative of a large rural electorate where parents are faced with huge costs to fund their children’s university studies hundreds of kilometres away, I remain extremely concerned by the government’s arrogant dismissal of the very sincere problems that will be created by the changes to the support arrangements for rural and regional students. As I have said many times in this place, rural students do not have the option of catching an 80c bus to university and back. They do not have the option of staying at home and eating meals with their parents, because they have to move away from home. I have always believed that, if we are going to have equity for rural university students, we should at least look at the extra costs they have over and above what city students have. The fact is that we already have a very low participation rate of 17 per cent for rural students, which is much lower than the rate for
city students. That is not because they are dumber; it is because of the extra costs which families cannot afford. And now they have had the independent youth allowance taken away from them halfway through their gap year—but you cannot turn back the clock.

I put on record my very grave reservations about abolishing scholarships without first putting in place their replacement. The government will have the opportunity to correct that before this bill goes to the Senate. I certainly encourage them to do so. These amendments go some way towards delivering on the recommendations of the Bradley review, although many of the Bradley recommendations have been ignored. This amounts to a minor deregulation of the tertiary sector—a Clayton’s deregulation.

The coalition supports these changes, minor though they are. But we are very concerned that the Commonwealth scholarships are being abolished when the bill introducing the replacements is yet to be introduced into parliament. The Higher Education Support Amendment (2009 Budget Measures) Bill 2009 is the legislative instrument that delivers most of the measures included in the government’s response to the Bradley review. This bill does not include most of the changes to eligibility for youth allowance and, as I said earlier, that will remove eligibility from more than 30,000 students, mostly from rural areas.

The Bradley review contained 42 recommendations covering a wide range of issues, including funding arrangements, allocation of places, quality frameworks, student support mechanisms, support for increased participation from disadvantaged and low-SES groups, increased encouragement of philanthropy, extension of certain forms of government support to private institutions and other matters. The Bradley review also set a target for increased participation in the higher education sector: 40 per cent of all 25- to 34-year-olds to hold a qualification of at least the bachelor level by 2020. The problem is that the participation rate for rural and regional students is only 17 per cent, and the changes will certainly make it worse. Targets were also set for participation amongst low-SES Australians and other disadvantaged groups.

The Bradley review did not recommend a reduction in participation in the higher education sector by rural and regional students, yet this is what the Rudd Labor government is doing. Imbalances in higher education participation remain a problem in Australia. The participation rate for rural and regional students is already less than half that of metropolitan students. As I said, that is not because they are dumber; it is because it is harder for them to attend university because of the distance and the extra accommodation costs. Abolishing Commonwealth scholarships, as this bill does, does nothing to redress that imbalance, nor does linking the scholarships to eligibility for youth allowance—a double-edged sword for rural and regional students.

The cost of sending a student to Adelaide or Melbourne, with accommodation or residential college and fees and transport, is in the vicinity of $12,000 to $15,000 a year, which is a considerable financial burden on many families. By comparison, a metropolitan student can live at home free and use public transport. The Rudd government’s changes to youth allowance, together with the added burden of poor public transport, high fuel costs and reduced family income due to drought, will mean fewer students from regional and rural Australia will attend university. There will be a flow-on effect in professional occupations in rural and regional Australia. The number of rural health workers, rural teachers and other professionals will be significantly diminished because
rural students are being denied tertiary education. The disadvantage will be compounded as fewer role models will be around to inspire students.

In ordinary circumstances potential university students and their families might have taken notice of this bill. In my electorate they no longer have the desire to do so. It is a moot point for rural and regional students, given that their ability to attend university has been taken away. I do not oppose this bill but I put the government on notice that they will have a major fight on their hands when it comes to implementing their proposed changes to income support to students.

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

MINISTERIAL ARRANGEMENTS

Mr Rudd (Griffith—Prime Minister) (2.00 pm)—I inform the House that the Minister for Resources and Energy and Minister for Tourism will be absent from question time today. The Minister for Trade will answer questions on his behalf. The Minister for Veterans’ Affairs will be absent from question time today as he is attending the commemorative services for Vietnam Veterans Day at the Shrine of Remembrance in Melbourne. The Minister for Defence Personnel, Materiel and Science will answer questions on his behalf.

VIETNAM VETERANS DAY

Mr Rudd (Griffith—Prime Minister) (2.01 pm)—On indulgence: I wish to make some remarks on this important day, Vietnam Veterans Day. Together with Senator Humphries, representing the Leader of the Opposition, I attended today a ceremony on Anzac Parade at the Vietnam War Memorial.

It was an important occasion to reflect on the contribution made by the more than 60,000 Australians who fought in the Vietnam War. It was also an important occasion to reflect upon the more than 500 Australians who died during the Vietnam War. It was equally an important occasion to reflect upon the burden subsequently borne by the families of those who came back from Vietnam and the extraordinary challenges which they have faced now over many, many decades in dealing with the scars of war both physical and psychological. Today, therefore, was an important occasion for the nation to reflect on their service and their sacrifice.

We also today at the Vietnam War Memorial were able to reflect further on the fact that we have been able to return home the last physical remains of one of our veterans and to anticipate the return home of the last two missing in action, and we hope to appropriately commemorate that at a later point. As I reflected in my remarks at the memorial today, it is right and proper for the nation never to rest until we have exerted our every last effort to bring those who have fallen in foreign battlefields home to proper recognition or to be properly interred in our war graves abroad. These loyal and patriotic sons of Australia fought in all of our names.

There was, as we know in this place, controversy concerning the war. It divided the nation. If, however, there has been one legacy since that time, it has been that we have all learned that our men and women, and uniform, should never ever become the subject of any form of attack which should properly be constrained to the political sphere. Therefore it is important that we honour those who have served in Vietnam. It is important that we honour the return home of the physical remains of the last of our missing in action. It is important also that we reflect on the continued scars and journey to healing on the part of families and those who
have survived that most terrible conflict, the Vietnam War.

Mr TURNBULL (Wentworth—Leader of the Opposition) (2.03 pm)—On indulgence: 43 years ago today 108 Australians from D Company 6RAR were on patrol near the Long Tan rubber plantation when they ran headlong into an entire regiment of the Vietcong army. Through that afternoon in pelting rain, those Australian diggers fought long and hard not just to survive but also to overwhelm an enemy vastly superior in numbers. By the time darkness fell the enemy melted away, only to return later at night to clear the dead and wounded from the battlefield. Eighteen young Australians were lost in that one battle. On Vietnam Veterans Day we celebrate each year, this day, the heroism of the Battle of Long Tan and all those Australians who served during the Vietnam War. It is an opportunity to reflect also on the service and the sacrifice of those who did not come home.

Australia’s military involvement in the Vietnam War was the longest in duration of any war in our country’s history. It lasted from 1962 until 1973. Our Australian service men and women were deployed to help stop the spread of Communism throughout South-East Asia, and they served bravely. But as we remember, and as the Prime Minister noted, public opinion turned against the war. It is a matter of great regret that in the minds of some Australians for a time the controversies over the Vietnam War overshadowed the sacrifice and the service of the almost 60,000 young Australians who served proudly in Vietnam wearing our uniform under our flag. We do not ask our service men and women to serve only in conflicts that are free from controversy; we require them to serve our nation as the government of the day directs them. And any criticism for decisions taken to go to war, generally made with the benefit of hindsight, should be directed at those who made the decision, not at the young men and women who bravely and selflessly do their duty.

There is little point revisiting those arguments here today, but what we must make plain is our unreserved admiration for the Australians who went to that war. They did what the nation asked of them. They served with the same Anzac spirit, the same dedication and the same courage as the soldiers who stormed the heights of Gallipoli years ago and the soldiers who are patrolling the perilous hills of Afghanistan even as we speak here in this House today.

Today we remember all our Vietnam veterans and especially the 521 Australians who gave their lives in that conflict. We are forever in their debt.

QUESTIONS WITHOUT NOTICE

Taxation

Mr TURNBULL (2.06 pm)—My question is addressed to the Treasurer. I refer the Treasurer to recent media reports concerning new taxes on the family home. Will the Treasurer confirm whether he, his office or his department has sought or received advice on the introduction of any new tax, including, but not limited to, a capital gains tax on the family home?

Mr SWAN—Here we go—another desperate smear-and-fear campaign from those opposite. I am happy to answer it, but be under no doubt what this is all about: those opposite are so embarrassed that they voted against a successful stimulus that here we go with another fear campaign.

Mr Pyne—Mr Speaker, there was no preamble to the question. It asked him simply whether he had sought or received advice. I ask him to answer that question.

The SPEAKER—The Treasurer will respond to the question.
Mr SWAN—What we have through the Henry review is another fear campaign from those opposite, because they are so bereft of any policy all they can do is run a fear campaign. As the Prime Minister said in this House yesterday, we take the issue of tax reform very seriously, and that is why we established the Henry review. We do want to simplify the tax system. We do want to put more incentive in the tax system. We do want to make our tax system internationally competitive. There was some publicity on the weekend: an article on the front page of a paper, which suggested there had been some discussion with the government about capital gains tax or taxes on housing. There will be plenty of this drivel and misrepresentation around as we go through the Henry review, because those opposite will stop at nothing to mount a fear campaign to camouflage the fact that they do not have an alternative fiscal policy—no alternative fiscal policy whatsoever. But insofar as those press reports on Saturday said there would be any complication with the government—

Honourable members interjecting—

The SPEAKER—Order! The Treasurer will resume his seat.

Mr Turnbull—Mr Speaker, I rise on a point of order that goes to relevance. I had asked a very straightforward question—

The SPEAKER—The Leader of the Opposition will resume his seat. To the extent that I added to the confusion there, I was trying to get the Treasurer to resume his seat, because the Leader of the Opposition had risen. The fact that the Leader of the Opposition then sat down, I think, is neither here nor there. The Leader of the Opposition has the call.

Mr Turnbull—It is simply a point of relevance. It is a very straightforward question and the Treasurer should answer it.

The SPEAKER—The Leader of the Opposition will resume his seat. The Treasurer is responding to the question. I will carefully listen to his answer.

Mr SWAN—I will be very clear with the Leader of the Opposition: there have been no discussions with the government about those matters that appeared on the front page of the Australian on Saturday.

Mr Hockey—No, we didn’t ask about the media; we asked whether you had got that advice.

Mr Dutton interjecting—

The SPEAKER—Order! The members for North Sydney and Dickson are not assisting.

Mr Pyne—Mr Speaker, on a point of order: the question did not ask about the Henry review or about media reports. It contained no preamble. It asked specifically whether he or his office had sought or received advice about capital gains tax on the family home.

The SPEAKER—Order! I will give the member for Sturt the opportunity to remind me which media statements the Leader of the Opposition was referring to at the start of his question.

Government members interjecting—

Mr Pyne—to introduce the question, he referred to the media reports on the weekend. The question then asked specifically—

The SPEAKER—Order! The member for Sturt will resume his seat. The Treasurer has the call.

Mr SWAN—Any suggestion that the government was aware of the matters mentioned on the front page of the Australian on Saturday is fiction. Any suggestion that the head of the Henry review, Dr Henry, had any knowledge of those matters he himself has said is fiction. So what we have here is another fear campaign from a group of people who basically could not support this country
in its hour of need. When it needed an economic stimulus they got up and said that it would not work. They said the stimulus would not work. The Leader of the Opposition went to the National Press Club of Australia one week before the budget and said the stimulus would not support one job. The data is in and, of course, when it comes to the economy what this proves is that those opposite—

Mr Dutton—Mr Speaker, I rise on a point of order. This cannot possibly be relevant.

The Speaker—The member for Dickson will resume his seat. The Treasurer has the call. The Treasurer will bring his response to a conclusion.

Mr Swan—What those opposite have proven time and time again is that, whether it is with economic stimulus or whether it is with the bank guarantee, they are the masters of misjudgment. The ultimate evidence of that is that there is not one skerrick of a fiscal policy they can put forward in this House. The facts of the matter are these. The stimulus has worked, but there are big challenges ahead for this nation. What the nation requires is unity in this House in dealing with those challenges, not the bitter division that we have seen from those opposite, not the fear-and-smear campaigns, not what they did in this House some weeks ago, where for a whole week of the parliament they could not ask me one single question about the economy. Indeed, in something like eight question times there has not been a question to the Treasurer about the economy. I have concluded.

Opposition members interjecting—

The Speaker—When the House comes to order, we will resume. I remind members that standing orders do not allow them to just come into the chamber and prattle on. The member for Brisbane has the call.

**Economy**

Mr Bevis (2.14 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on the government’s response to the global recession and how this response has been received?

Opposition member interjecting—

Mr Rudd—I take the interjection—I think from the Leader of the National Party—about a presentation last night to the Australian Industry Group about our recovery strategy for the Australian economy: what we have invested, the results which have been produced so far from that and the journey we still have to undertake as a nation, given the impact of the global economic recession.

Those opposite, I think I could say, appear to be a little agitated today in the House. David Speers’s Twitter this morning—I am a bit of a fan of Twitter—says:

Another messy Coalition partyroom. Much debate over tactics on Renewable Energy Target. Nats angry at Hunt flagging Coalition support. It is always good to see the coalition hard at work at tearing themselves apart. Perhaps that explains the level of agitation we see on behalf of those opposite. Where is Greg Hunt? Has he disappeared? I hope Barnaby has not taken him outside!

Opposition members interjecting—

The Speaker—Order! The House will come to order!

Mr Rudd—I return to the question that I have just been asked concerning the government’s response to the global economic crisis. I draw the House’s attention to today’s small business survey, which shows some positive news in response to actions taken by the government but also to critical actions taken by small businesses themselves in what has been a very trying time for them. According to the latest ACCI Small Business
Survey, small business conditions improved over the June quarter.

Honourable members interjecting—

Mr RUDD—Lazarus has returned from the embrace of the National Party! He is very pleased about receiving attention, because he gets no opportunity to ask a question in this place, such is the depth of unity on their side of the chamber on all matters of policy.

When it comes to the ACCI Small Business Survey, what we have, of course, is a reflection of the fact that small business conditions improved over the June quarter, rising three points to 39.8. This is the highest level since November 2008. Further, looking ahead, small business expectations for conditions over the next 12 months have increased, with the index rising from 30.2 per cent to 36.9 per cent. Furthermore, it is quite plain from the survey that there are still many challenges lying ahead, and we should be frank and upfront about the fact that there is still a rocky road to go for small business. That is why the government continues to be in close consultation with that sector through the small business minister.

Questions have been asked in this place about the impact of the government’s nation building for recovery plan. I draw the attention of those opposite and the House in general to the impact of our cash payments, at the end of last year and early this year, through to retail; 1.5 million Australians work in retail and, critically, the overwhelming concentration of Australian small business is in retail, and that, of course, has been of direct consequence for them. In fact, I seem to recall there may have been some reflections at the doors on that this morning from members opposite, but I am sure that will be taken up later in question time today.

Tradies have also benefited from the investment we have made in the nation building for recovery plan in schools, in public housing and, of course, in our energy insulation program as well. On top of that, most critically, I draw the House’s attention to the $3.7 billion small business and general business tax break. This temporary investment allowance has enabled many small businesses to reach forward and to invest in those items of capital equipment they may need to expand their business. This, I believe, has been an important measure which has received a positive response from the sector.

Putting all these things together, what we see is that Australia’s overall economic performance is better than that of most of the other economies around the world, notwithstanding the impact of the global economic recession. Putting these measures together, as of the end of the first quarter we were generating the fastest economic growth in the OECD. Of the major advanced economies, we had the second lowest unemployment rate, the lowest net debt and the lowest deficit of the major advanced economies and were the only one among them not to have gone, so far, into a technical recession.

Why this is important for the House is that it goes to the question of the policy divide which exists within this place on the future direction of economic policy. It also goes to the absolutely wrong and flawed judgement we have had from the Leader of the Opposition on so many questions of policy, including economic policy, in the period that he has occupied that position. It was the Leader of the Opposition who told the House and the country at large that the bank guarantees that we provided as a government last October represented a policy failure. He said that the policy that was announced on 12 October represented a policy failure. He said that the policy that was announced on 12 October was a failure.

I draw the Leader of the Opposition’s attention to what would have happened were it not for the introduction of those guarantees for deposits and the guarantees for interbank
lending, wholesale funding needs for our banking system. And he still maintains this is a policy failure, based on his interjections. On 22 October he said that the policy that was announced on 12 October, which was the policy containing the double guarantee on both elements of our banking system, was a failure. I submit to the House that this represents catastrophically flawed judgement. What would the country have done had he been in the cabinet room on that occasion, responsible for these decisions?

What we have seen is wrong judgement on this. Imagine what would have happened to our deposit holders across the country if they had had no confidence in the banking system on that following Monday, the Monday following what was Black Friday on the stock markets of the world. Secondly, can I also say to those opposite: what would have happened, given that interbank lending had ground to virtually zero in the last months of last year, had we not provided that guarantee for interbank lending? It would have tunneled straight back into the arteries of capital—that is, the arteries of business—namely, the small business sector as well as the business community more generally.

But that is just one illustration of wrong judgment. A second illustration of wrong judgment goes to the complete and systematic attack which those opposite have launched upon the government’s economic stimulus strategy. Time and time again they have stood up, in this place and outside this place, saying that it would have no effect whatsoever and was a complete waste.

In fact, we had the Leader of the Opposition saying in March this year that the ‘cash splash’, to use his term, had ‘had no discernible impact on our economy’. ‘It hasn’t created a job. It hasn’t stopped us from going backwards in terms of economic growth.’ This is just, again, wrong judgment. Having been confronted—as we were as a government—with the great challenges facing our economy in October last year, and the decisions which needed to be taken in order to put a floor under economic growth, this government took the right decision, based on Treasury advice, to provide support to the economy, to step into the breach which was left by a private sector in retreat. Those opposite argue that we should never have done so—that we should have simply sat on our hands and allowed the economy to crash through the floor, as we saw occur in so many other economies around the world.

The contrast between the government and the opposition on these two most critical areas of policy in response to the global economic recession, (1) the provision of guarantees to the banking system and (2) the injection of our national economic stimulus strategy, both fundamentally opposed by those opposite, both fundamentally supported by the government and implemented by the government, underscores the flawed judgment which was reflected in so much of the policy contribution by the Leader of the Opposition—flawed judgment on this and on so many matters.

The government intends to get on with the business of long-term reform for the Australian economy and, as the Treasurer was saying in his response to the question just posed before, that will include the long-term reform of our taxation system as well, and that is the right thing to do; the long-term reform of our health and hospital system; the long-term reform of our education system; the long-term reform of our industrial relations system—as we have had entrenched through the legislation put into the parliament by the Deputy Prime Minister.

In the prosecution of the tax debate, we will have rolling discussions with the Treasury about what should be done and should
not be done. That is the right way to proceed. It is called a rational policy debate. That is what we on this side of the House are engaged in. We do not apologise for one element of it. And can I say to those opposite, returning to David Speers’ observation in Twitter: why don’t you try and get your own act together on just one element of policy and join with us in the constructive business of the nation, and not simply pull apart yourselves and, as a consequence, the country.

DISTINGUISHED VISITORS

The SPEAKER (2.24 pm)—Order! I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Cambodia. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Taxation

Mr Turnbull (2.24 pm)—My question is again to the Treasurer. Will the Treasurer confirm whether he, his office or his department have sought or received advice on the introduction of any new tax on the family home, including, but not limited to, the imposition of capital gains tax?

Mr Swan—As I said earlier—

Opposition members interjecting—

The SPEAKER—The Treasurer has the call.

Mr Swan—The government has no intention of pre-empting any of the considerations of the Henry review—none whatsoever. If those opposite want to conduct a fear campaign like they have been conducting on the stimulus, like they have been conducting on the bank guarantee, nobody is going to believe them.

This is a comprehensive review being conducted by Dr Henry, right across personal income tax, right across company tax, right across federal-state relations, and it will encompass the full ambit of the tax system. Dr Henry is conducting that review independently, through the Treasury. That is how it should be, and that is what is happening.

Opposition members interjecting—

The SPEAKER—Order! The Treasurer had concluded.

Mr Dutton interjecting—

The SPEAKER—Order! The member for Dickson will come to the dispatch box and withdraw.

Mr Ruddock—One rules it out; the other rules it in.

Mr Dutton—I withdraw.

The SPEAKER—The member for Berowra is not helping.

Economy

Ms Burke (2.26 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the ongoing economic challenges Australia faces and what it will take to meet them?

Mr Swan—I thank the member for Chisholm for her question, because Australia is performing well at the moment in what is a very difficult global environment, and it is certainly very clear that our stimulus is having a significant beneficial effect on the economy. You can see it in terms of retail sales, up 5.2 per cent since November last year. You can see it in the forward indicators in the housing market. You can see it in the consumer confidence figures, up 27.8 per cent in the last three months alone and the highest since the series began in 1975. But of course you can also still see the weakness in the global economy, and, as Governor Stevens said last week:

The global economy could suffer another setback of some kind. We think the likelihood of that has declined, but the possibility nonetheless remains.
We had the statement from the Treasury secretary yesterday where he made the point that the rest of the world is not out of the woods and it is possible that there will be a second shockwave.

These are timely reminders that global economic conditions remain volatile, and it is not easy to predict the path to recovery. Of course, that is why the government’s stimulus has been so instrumental in providing support to our economy at a time of global weakness. The governor and others have supported that proposition. The governor had this to say last week:

… fiscal measures have supported demand …

Dr Henry has made the point that it is reasonable to conclude the cash payments did succeed in supporting the economy. But, of course, the challenges do remain. The challenges remain in terms of the reduction in the terms of trade. The challenges remain in terms of a reduction in business investment. And all of this points to the importance of our economic stimulus and, most particularly, points to phase 2 and phase 3, and their importance over the next year and the year after that.

But, of course, just about everybody in Australia knows that the economic stimulus is working, everybody knows the job is not finished and everybody knows there are still challenges ahead—that is, of course, except those who sit opposite. Everybody else can get on and work with the government on the very big task of supporting employment, the very big task of supporting small business and the very big task of supporting employment in those small businesses—something that is not understood by those opposite, because what we have had is just another monumental misjudgment from this Leader of the Opposition and the shadow Treasurer in opposing the stimulus. They have turned that misjudgment into an art form. So people are entitled to question their motives when they have been so spectacularly wrong about what has been going on in our economy. Given that history, nobody will believe their desperate fear campaigns.

**Taxation**

**Mr Turnbull** (2.30 pm)—My question is again to the Treasurer. Given the Prime Minister was able to rule out an increase in the GST but yesterday declined on three occasions to rule out the introduction of a capital gains tax on the family home, will the Treasurer now categorically rule out the introduction of a capital gains tax on the family home?

**Mr Swan**—I said in my first answer that we categorically deny the proposition about capital gains put on the front page of the *Australian* last Saturday. Why did we do that? We did that because the story asserted there had been consultation with my office. Untrue. We did it because the story asserted that there had been modelling. Untrue. All of those things were untrue. But the Henry inquiry is independent. It is looking at all aspects of the tax system. It is doing that independently of the government. We do not intend to respond to a daily diet of misinformation from those opposite or anywhere else. The Henry inquiry will get on with doing its work and the government will receive its report.

**Economy**

**Ms Campbell** (2.32 pm)—My question is to the Minister for Finance and Deregulation. What impact has the government’s stimulus packages had on the Australian economy and what assessments have been made of that impact?

**Mr Tanner**—I thank the member for Bass for her question. I commend her also for her work with small businesses in her electorate, which I was fortunate to meet with her recently. In late 2008 and early this
year the government put in place two stimulus packages involving some immediate spending on cash payments; some medium-term investment in infrastructure, such as building new school buildings across Australia; and substantial longer term investment in infrastructure in areas like road, rail and ports. This strategy was necessary because we were seeing unfold before our eyes a collapse in global economic activity across the world that was already starting to reverberate through the Australian economy, threatening hundreds of thousands of Australian jobs and thousands of Australian businesses.

It is now 10 months or so since that first package was put in place and it is clear that that stimulus strategy is working and is going to continue to work. You can see that through the statistics with respect to retail spending, particularly when compared with like countries; you can see it in business investment data; you can see it in employment data; and you can see it in recent confidence levels, both business confidence and consumer confidence. It is very clear that Australia is in much better shape than comparable countries and it is in much better shape than it would have been had the government not acted very quickly to put stimulus into the economy to sustain economic activity and to sustain jobs.

Having said that, the road ahead is still very challenging and the risks that are there in the international economy are many and varied. But it remains absolutely clear that had the government not taken that decision to stimulate economic activity we would now be in a position with much, much higher unemployment and a large number of business failures.

I would like to draw the House’s attention to the statement by the Reserve Bank governor on Friday, when he said:

… I think an objective observer would say that the size and speed of that response has been one of the important factors in supporting private demand over the past nine months.

Yesterday the Secretary to the Treasury said very much the same thing.

Of course, we know that the Liberal and National opposition opposed the government’s stimulus strategy. They initially said it would have no impact. Then they changed gear and said: ‘Well, it will have a little bit of an impact. That’s because there’s just so much money. It is unavoidable that it will have some impact.’ Now they have got to the point of saying it is having too much impact and that it needs to be wound back because otherwise you will overheat the economy and put upward pressure on interest rates. In each case one thing stands out about their approach to this issue, and that is that their analysis is not driven by objectivity, not driven by any desire to understand the problems or the challenges of the Australian economy but driven by a desire to make short-term political points, driven by an intention to snipe at the government and to find fault with the government irrespective of the merits of the issue.

I have a simple message for the Leader of the Opposition, and that is that, although the Australian people understand that the political process involves a bit of heat and light, a bit of argy-bargy, a bit of colour and a bit of rhetoric, ultimately underneath all that they look for judgment in their leaders. And the one thing that the Leader of the Opposition has consistently shown in this debate is his lack of experience, his impetuousness and his lack of judgment. The Australian people want judgment in their government, and that is what the Australian government has shown, under the leadership of the Prime Minister and the Treasurer, to deliver the stimulus packages to sustain employment and business in our economy.
Taxation

Mr HOCKEY (2.36 pm)—My question is to the Treasurer. Now that the Treasurer has refused to rule out new taxes on the family home, I refer to the fact that state Labor governments in New South Wales introduced taxes on the family home and a vendor tax, and that the state Labor government in Western Australia attempted to introduce a property tax but failed. Treasurer, how can your government be trusted not to introduce new property taxes when it is clearly the form of the Labor Party to do so?

Mr SWAN—We just got the O’Farrell strategy from ‘Sloppy Joe’. He is not actually running in the federal parliament; he is running in the state parliament. You are going to have to do a lot better than that, Joe.

Mr Pyne—Mr Speaker, I rise on a point of order not on relevance, but the Treasurer knows that he must refer to the member by his seat. I would ask him to withdraw his offensive remark about the shadow Treasurer.

The SPEAKER—The Treasurer will refer to members by their titles and, as there has been an expressed offence about the expression used in relation to another member, to assist the House I will ask him to withdraw that.

Mr SWAN—I withdraw. As the Prime Minister and I have indicated today, this is a comprehensive review. The Henry review is having a look, root and branch, at all of the issues in the taxation system except two—the GST and tax-free super were ruled out. This is because it is a comprehensive review. No fear campaign from those opposite is going to lessen the determination of the government to receive that report, which is being conducted independently via a panel. We will examine it and we will take forward policy proposals in the interest of this nation. That is what we will do.

As you have demonstrated with the bank guarantee and the economic stimulus, you are absolutely incapable of coming to grips with the fundamental economic challenges this country faces in the short term, the medium term and the long term. You have demonstrated it on climate change; you demonstrated it when it came to economic stimulus. You do not understand the stability of the financial system and you are incapable of dealing with contemporary challenges.

Mr Pyne—Mr Speaker, I rise on a point or order. Mr Speaker, I assume that if you had had the chance you would have voted with the government on climate change, so he should actually stop referring to the opposition as ‘you’.

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

Mr SWAN—I am asked about tax reform. The government has a comprehensive process in train, one that is supported broadly by the Australian community. But of course there was a time when the Leader of the Opposition was the shadow Treasurer. He had an alternative tax plan. The problem is that he has hidden it in the bottom drawer. I well recall when he commissioned Mr Ergas to review the taxation system. Indeed, I think the member for Higgins will well remember some years before when the Leader of the Opposition put forward 289 different proposals for tax reform. But this report from Professor Ergas has not been released. Why has it not been released? That is because there is a secret plan in this House. It is the opposition leader’s secret plan that he will not tell the Australian people about: he has a flat tax plan for the income taxation system which will mean massive tax cuts for the top end and massive tax increases for everybody else. We will have no more of this hypocrisy from those opposite, because they are abso-
lutely incapable of putting forward an alternative plan for this country.

Building the Education Revolution Program

Mr BIDGOOD (2.41 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the Deputy Prime Minister update the House on the rollout of the Building the Education Revolution program and the impact this is having on local jobs?

Ms GILLARD—I thank the member for Dawson for his question. I know he is a great supporter of his local schools. I have a great story to tell him about Queensland because we have received notification that the first Primary Schools for the 21st Century project has been completed. It has been completed at Yandina State School in Queensland. Yesterday the kids there started to use their new library, their new ICT centre and their refurbished classrooms, and they are already using the covered outdoor learning area.

Just to give you an indication of these facilities, I will show you a photograph of a new building constructed at Yandina State School as a result of the Building the Education Revolution program. This photograph is of the covered outdoor learning area, complete with drinking taps—part of the Building the Education Revolution program.

Opposition members interjecting—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. Mr Speaker, you have previously upheld the ruling of a former Speaker, your own father, that that sort of thing is out of order. I ask you to rule her out of order.

The SPEAKER—I do not think I have quite done what the member for Mackellar suggested. I will watch the way in which the Deputy Prime Minister uses the photos that she has.

Ms GILLARD—Finally, I have been supplied with a photo of how the new library looks. It seems to me that it would be a very odd world in which it was out of order to celebrate the construction of a new library for children in a school in Queensland.

Of course, this school is in the member for Fairfax’s electorate. Because of the poor judgment of the Leader of the Opposition, the member is now in a position where he has to go to Yandina State School and explain to them why he opposed this rebuilding and refurbishment of their school. It was poor judgment. But of course it is worse for the member for Fairfax than that. Because of the poor judgment of the Leader of the Opposition, he also has to go to his local community and try to explain the Leader of the Opposition’s claim that this stimulus package has not created one job.

Well, how is he going to explain that to the local tradies who worked on this school project? How is he going to explain it to R&R Earthmoving from Mooloolah; to Perren and Penny Plumbing, and G. James Glass and Aluminium from Kunda Park; to Literok Painting from Peregian Beach; to Epsilon Gulf Carpentry from Bli Bli; to Spence Doors and Joinery from Forest Glen; and, last but by no means least, to Rosemount Roofing, Harpers Electrical and Data, and Master Kelwin Floors from Nambour? All of them worked on this project. How is he going to explain to them the opposition’s claim and, particularly, the poor judgment of the Leader of the Opposition in saying that this did not support one local job?

The good news is not just in that school in Queensland; it is throughout the country. Where this parliament sits and meets today, I am happy to be able to advise the parliament that the ACT government expects the first
round of the National School Pride Program and the Primary Schools for the 21st Century program to support 250 on-site jobs for people in Canberra, including around 50 apprentices—that is a rate of 20 per cent being apprentices, and that is just fantastic. It is supporting local jobs. People out in schools and people in building and construction know how valuable this program is. That is why Ron Mitchell from Trend Windows and Doors in the ACT wrote to me and said:

Not only am I now more secure in my job but so too are my fellow employees, my subcontractors and even the people who work for my suppliers, right down to the blokes down the road I buy screws from.

So those are the words of a local tradesperson. In the words of the Executive Director of Master Builders Association, Rob Stewart:

The timing has been brilliant for the industry because I think if we hadn’t had this the commercial side of the industry would have been sliding into a downturn. It has given the industry a real lifeline, probably for the next 2½ years.

So, whilst the opposition guffaws, squeals and exercises poor judgment, this government is getting on with the job of building the infrastructure we need for tomorrow while supporting jobs today.

**Taxation**

Mr TRUSS (2.47 pm)—My question is to the Treasurer. I ask the Treasurer: given that the government was able and willing to rule out an increase in the GST, will the Treasurer now rule out an increase in fuel excise?

Mr SWAN—I said before that the Henry review was comprehensive. We will not be in the business of ruling things in or ruling things out.

**Rail Infrastructure**

Mr GIBBONS (2.47 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. How has the government’s economic stimulus advanced the modernisation of Australia’s freight rail network and how has this investment been received?

Mr ALBANESE—I thank the member for Bendigo for his question. In December last year, as part of the economic stimulus plan, we injected some $1.2 billion into the Australian Rail Track Corporation. That was to undertake some 17 rail projects right across the country, and they got underway very swiftly indeed—putting people to work, particularly in regional Australia. Two weeks ago I was in Seymour and I laid the last sleeper on the track upgrade between Albury and Seymour.

Opposition members interjecting—

Mr ALBANESE—I was well supervised!

Funding announced last December, 225,000 concrete sleepers placed and 120 people employed in regional Victoria, as well as people employed in Wagga Wagga making the concrete sleepers—this was a $45 million project to not only create jobs today but also make the railway more efficient and increase productivity for the long term. The modernisation of our freight rail network will position us to come out of the global economic recession just that much stronger. The Leader of the Opposition said some five months ago that the stimulus:

… is not producing jobs, it’s not protecting jobs, and it certainly isn’t creating jobs.

He said that the Prime Minister:

… hasn’t been able to demonstrate that it’s created one job …

Well, I met the 120 workers who worked on that site at Seymour—who had been given employment and training, who had been given opportunities and who then were going on to other activity with the ARTC on that day. I wonder what they think about the Leader of the Opposition’s comments. Three months ago, when the Treasurer and I were in South Australia in the electorate of King-
ston looking at the new railway line extension there from Willunga to Seaford, the Leader of the Opposition was in Adelaide too, questioning again our stimulus projects. He said there:

… everything will have to be reviewed. There’s no question about that.

He was questioning the economic stimulus package of this government. For months we have had the argument that the stimulus was not creating jobs and that it was too large. So I was interested this morning when in his doorstop interview the Leader of the Opposition said, when it comes to infrastructure:

… when you look at it closely you see that the Rudd government is committed to spending really no more than the Coalition was committed to spending.

So we are spending too much, the economic stimulus plan should be wound back and yet we are not spending any more than they were going to spend. The fact is that we are investing more in rail in 12 months than those opposite did in 12 years. The Leader of the Opposition simply cannot make up his mind. Is the stimulus too large? Should it be wound back? Or is it there at all? We do not know—depending upon the comments of the opposition. What is very clear is that the Leader of the Opposition has no judgment when it comes to politics, has no judgment when it comes to policy and, most importantly, has no judgment when it comes to people.

Taxation

Mr ANTHONY SMITH (2.51 pm)—My question is to the Treasurer. I refer the Treasurer to the statement by the member for Melbourne:

We should have an inheritance tax or some tax of that nature. Deemed capital gains tax on death is another option in that regard.

Does the Treasurer agree with the Minister for Finance and Deregulation?

Mr SWAN—I absolutely agree with everything that the minister for finance said yesterday. He is 100 per cent correct.

Public Housing

Ms ANNETTE ELLIS (2.52 pm)—My question is to the Minister for Housing. What progress has been made—

Opposition members interjecting—

The SPEAKER—Order! Those in the chamber that wish to have a chat can go outside and have the chat.

Ms ANNETTE ELLIS—What progress has been made in the government’s efforts to repair and build social housing, and what impact has this made on local employment?

Ms PLIBERSEK—I want to thank the member for Canberra for her question. In fact, just this morning the member for Canberra and I visited the first house to be built under the Nation Building Economic Stimulus Plan’s social housing component in her electorate—the first house in the ACT, in the member’s own electorate. It is a four-bedroom house, a class C adaptable dwelling, a six-star energy rated new home for a family.

I met Joanna, the lovely woman who is going to move into this new home with her three children, Brandon, Madeline and 15-month-old Ava, as did the member for Canberra. Little Ava is blind and she will need a wheelchair as she grows up, and Joanna and her family have been living in a two-storey terrace style house that will be completely unsuitable for Ava as she grows up. She needs to be carried up and down stairs with the equipment that she is connected to 20 hours out of every 24 hours of the day. She has to be lifted in and out of the bath. That is okay while she is 15 months old, but it will not be okay as she grows up. This house has been purpose built for someone in a wheelchair and will make little Ava’s life, her
mother Joanna’s life and the life of their family just so much easier.

I also met the staff of Vogue Constructions, who built this home. This is one of seven homes that they have won through stage 1 of the social housing building program. Stuart Sampson and Nathan Toscan, the directors of Vogue Constructions, told me about the extra people they had put on. Stuart told me that they had employed one extra full-time and one extra part-time employee since they won this work for the seven extra properties, and Nathan estimated that over 60 people had worked on this property over the course of its construction.

I also wanted to tell the House about the repairs and maintenance program, a component of this package that has been so extraordinarily successful. When this program is complete we will have done work on more than 60,000 homes right around Australia, and 30,000 of those homes have already been completed. Another 14,000 homes have benefited by work done in common areas. Perhaps most importantly, over 10,000 properties will have substantial upgrades and major work done on them. These are properties that have been sitting vacant or would have become uninhabitable over the next couple of years if major work had not been done on them. We had a target of returning 2½ thousand properties to active use. In fact, we will exceed that target fourfold. We will return more than 10,000 properties to active use that would have been lost from public housing stock had we not done this work. This means many more homes for disadvantaged Australians, a greater contribution to meeting our homelessness targets and a great deal more work for tradespeople across the country.

Mr Speaker, I will just give you a couple of examples of these homes that I visited. In April I went to see some terrace homes in Gertrude Street in Fitzroy. They are old terrace houses. They had been old-style rooming houses with little individual rooms, very run-down and very unsafe. No-one stayed there for long—in fact, no-one lived there if they could help it—because of the very poor condition of this housing. I went there to see these terrace houses converted to 19 self-contained little units. They are close to jobs, they are close to transport, they are close to a hospital for people who need ongoing medical care and, best of all, they have great security. So people will stay there. They will build up a community. As a direct result of the stimulus program, we will be able to use that housing, which had been closed down. It was so badly run-down it had to be closed. That will be returned to active use. Yarra Community Housing will run it.

An opposition member—Boring!

Ms PLIBERSEK—‘Boring.’ That is boring, is it? Housing homeless Australians is boring—that tells us everything we needed to know. Housing homeless Australians is ‘boring’. Housing Joanna and her family and providing work for these builders is ‘boring’. That tells you a lot, doesn’t it? I will tell this side of the House, because they are interested in housing homeless Australians, that Yarra Community Housing, which will run these properties in north Fitzroy, thought they would have to sell properties in other parts of Melbourne to upgrade these properties. Instead, with $17½ million of our stimulus money, they will be able to keep all of their properties in Melbourne and they will be able to house more homeless Melburnians.

The member for Wakefield and I visited a 50-year-old home in Elizabeth Grove. That was going to be sold. Instead, it will be upgraded and returned to public housing stock. In Glebe, New South Wales, in April I visited a four-bedroom home sitting there empty,
impossible to live in. Now it has a family with four kids living in it. Is that pretty boring, is it—a family with four kids living in a home? I have seen these homes right around Australia—old houses, old blocks of units, run-down, starved of repairs, being prepared for sale because there was no money to fix them, instead getting the major upgrades they need so they can be used for social housing. With the help of the states and territories and the great work of builders and tradies right around Australia, we are returning these homes so they can be used by needy Australians.

**Taxation**

Mr DUTTON (2.59 pm)—My question is to the Treasurer. I refer to comments recently made by the Minister for Health and Ageing regarding tax increases to pay for the future of Australia’s health system, and I quote:

Those on higher incomes might be able to bear more of the cost.

Does the Treasurer agree with the minister for health that taxes will increase to pay for the government’s health plan?

Mr SWAN—The opposition are so desperate that they are asking yesterday’s question and the answer is the same today. I agree with what the Prime Minister had to say yesterday.

Opposition members interjecting—

The SPEAKER—Order! The question has been asked.

Mr SWAN—They want to have a debate about tax. They asked the finance minister about a statement he made 15 years ago. Four years ago the Leader of the Opposition had a lot to say about taxation. In fact, he put forward something like 280 separate proposals. They were not ones that impressed the then Treasurer, who had a few choice words to say about the Leader of the Opposition—but we will come back to that.

Mr DUTTON—Mr Speaker, I rise on a point of order. There is no possibility that this question will be answered by the Treasurer—he has evaded every question in question time today. Will he rule out a new tax?

The SPEAKER—The Treasurer is responding to the question. I will listen carefully to the Treasurer’s response.

Mr SWAN—I must correct the record. I have just been reminded by one of my colleagues that there were not 280 proposals, there were 279. Some of them were real doozies. Option 124, for example: abolishing the top two tax rates to have one at 15 per cent and one at 30.

Mr HOCKEY—Mr Speaker, I rise on a point of order. It goes to the question about the comments of his own minister for health about increasing taxes on Australians now. Can the Treasurer simply answer just one question on tax?

The SPEAKER—Order! The member for North Sydney will resume his seat. As he is aware, the occupant of the chair is not in a position to direct the way in which a minister will answer the question but I will listen carefully to the response of the Treasurer. The Treasurer will respond to the question.

Mr SWAN—Using the standards set by those opposite, there are 279 questions that the Leader of the Opposition has to answer, including how he could put forward a proposal which would mean that someone on 30 thousand dollars a year gets zero, someone on 60 thousand dollars a year gets zero and someone on 150 thousand dollars a year gets 5,600 dollars a year.
Mr SWAN—And finally, someone on $250,000 a year got a tax break of $18,500 a year. That is the Sheriff of Nottingham proposal! And of course he had another doozy: option 53 was to eliminate the tax-free threshold, which was then going to cost someone on $12,000 a year $900 per year. And someone on $40,000 a year—

Mr Pyne—Mr Speaker, I rise on a point of order. Under the standing order of relevance, the Treasurer is clearly defying your admonition of him. These answers have nothing whatsoever to do with the question about the minister for health’s prediction of higher taxes.

The SPEAKER—The member for Sturt will resume his seat. The Treasurer will relate his material to the question.

Mr SWAN—When talking about tax, the Leader of the Opposition and those opposite have a very clear record over a long period of time. They are very strong in taxing the weak and very weak in taxing the strong! It has been demonstrated in this House time and time again. We on this side of the House understand the importance of the national interest. We understand the importance of getting incentive right—that when people work hard they get a bit extra in their hands. That incentive is so important. It is why personal tax reform is so important. It is important when it comes to company tax. It is important when it comes to the reform of federal-state relations—

The SPEAKER—Order! The Treasurer will commence bringing his answer to a conclusion.

Mr SWAN—and we will not be deterred by those opposite in putting forward reforms from the Henry report, when it is brought together and published, considering those in a methodical way and acting in the national interest. As for the minister for health, she is a terrific health minister.

Government members—Hear, hear!

Economy

Mr CRAIG THOMSON (3.05 pm)—My question is to the Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services. What role has the government’s stimulus package played in establishing confidence in the Australian economy? Why is it important, in our economic recovery, that the government has in place policy settings that will generate confidence? How have these settings been received?

Mr BOWEN—I thank the honourable member for his question. Questions on the state of the economy these days only come from this side of the House. Perhaps that is because, as the member for Higgins showed yesterday, those opposite regard bad economic news as a political opportunity and encouraging economic news as a great disappointment. I am asked by the member for Dobell about confidence. We know that the stimulus packages of the government have played a very important role in contributing to the solid retail trade figures seen in Australia, but confidence is also vitally important. Confidence underpins spending decisions and investment decisions from the business sector and from households. We know that the opposition regards confidence as very important as well. We know that because last year the member for Wentworth provided the House with some guest lectures on the matter of confidence in the economy via the matters of public importance. With great bravado, day after day, the member for Wentworth told us that confidence was important and that the determinant of confidence on Australia was government policy.

He told us that the world economic situation had very little impact, that the Lehman Brothers collapse had little impact and that the global financial crisis and the credit
crunch had very little impact. He told us that the only real determinant of confidence levels in the Australian economy was Rudd government policy. We hear a lot less from the Leader of the Opposition about confidence these days. Perhaps it is because Australia has consistently been amongst the best performers in the OECD in 2009 when it comes to consumer confidence. Perhaps it is because confidence in Australia has been above the total OECD consumer confidence in each month since the announcement of the government’s stimulus packages. In each month since the announcement of the government’s stimulus packages, consumer confidence has exceeded that of the United States, the United Kingdom, Canada and Europe, and on many measures consumer confidence in Australia has returned to pre-crisis levels, which cannot be said about comparable nations.

Of course, there are a range of factors which have contributed to consumer confidence in Australia, but as the chief economist at Westpac, Mr Bill Evans, said:

The success which the government’s stimulus package has achieved in boosting confidence will be a lesson to other governments including the US which have taken different approaches in their stimulus packages.

Restoring confidence has been an important part of the government’s economic policy and an important result of our stimulus package. We know the Leader of the Opposition showed very bad judgment when he opposed the government’s stimulus package. He showed bad judgment on the stimulus. He continues to show bad judgment today when it comes to confidence. It just goes to show that he cannot be trusted with the nation’s government as we move towards recovery.

Ms Rebiya Kadeer

Ms JULIE BISHOP (3.09 pm)—My question is to the foreign minister. Will the minister confirm that China has withdrawn cooperation from the Prime Minister’s Asia-Pacific community proposal?

Mr STEPHEN SMITH—I thank the shadow minister for her question. Her question no doubt arises as a result of the report on the front page of today’s Australian newspaper, a primary source for her. Can I make a number of points. The Chinese authorities at a range of levels, including my counterpart, Foreign Minister Yang, made very strong representations to Australia about the proposed visit to Australia of Rebiya Kadeer and made representations to us that we should prevent her visit. I considered those representations and came to the conclusion that there was no basis for denying her entry to Australia. As a consequence of Australia granting her a visa for the third occasion that she had visited Australia in her private capacity, the Chinese authorities made it very clear to Australian officials that they were most unhappy with her visit. As a consequence of her visit, they indicated to Australia that the proposed visit to Australia of Vice-Minister He to attend the Pacific Islands Forum Post-Forum Dialogue would not occur. They indicated that China would be represented by an ambassador and that, as a consequence of Vice-Minister He not attending the Pacific Islands Forum Post-Forum Dialogue, the proposed and scheduled senior officials’ meeting between Australia and China would not—

Mrs Bronwyn Bishop—Mr Speaker, on a point of order: it was a very specific question asking the minister to confirm that China has withdrawn cooperation for the Prime Minister’s Asia-Pacific community proposal.

The SPEAKER—I again refer to comments made in House of Representatives Practice about whether people think that they can predict the specificity of the answer. I have listened carefully to the response from
the Minister for Foreign Affairs; he is responding to the question. If those in the chamber would listen carefully to the totality of the answer they could then make a summation. I cannot ask that the foreign minister give a yes/no, ABC answer. Sometimes it may take a master’s thesis to answer. So the foreign minister is giving a thorough answer.

**Mr STEPHEN SMITH**—I was asked a question about a very important relationship that Australia has with China and I am proposing to answer it. As a consequence of Vice-Minister He not attending the Pacific Islands Forum Post-Forum Dialogue, the senior officials’ meeting between Australia and China would also not take place. Both of those actions on the part of Chinese authorities were said by Australian officials to be a direct consequence of, and a direct response to, Australia’s decision to allow Rebiya Kadeer to enter Australia—as a direct result of my decision not to interfere with our usual and normal immigration processes. When I made that decision, I indicated to China that Australia of course respected the territorial sovereignty and integrity of China over the western provinces.

Australia very much regrets that China has decided to effect that response. Whether China proposes to effect any further responses as a result of our decision to allow Rebiya Kadeer to enter Australia is entirely a matter for the exercise of China’s discretion. If China does take further action as a result of us allowing Rebiya Kadeer to come to Australia, we will of course regret that. But the basis of the Australian government’s decision is this: we have a longstanding productive economic relationship with China. That relationship started with the decision by the Whitlam government in 1973 to recognise China’s one-China policy. Since that time it has grown, starting with minerals and petroleum resources from my own state of Western Australia, to a much more general, broad based relationship. From time to time in any bilateral relationship there will be difficulties. These difficulties need to be managed carefully and successfully, as Australia is currently managing difficulties that we have in our relationship with China—in particular, the visit of Rebiya Kadeer to Australia and the Stern Hu case.

I make this final point: if China takes any further action in response to our decision, that will be for us a matter of regret. But we will deal with that matter sensibly, and we will not resort to the flip-flop politicking that the opposition makes of our relationship with China. I vaguely remember the Leader of the Opposition saying to the government some time ago that we should stand up to China. We did on the Rebiya Kadeer issue.

**Resources and Energy**

**Ms COLLINS** (3.15 pm)—My question is to the Prime Minister. Can the Prime Minister outline recent developments in the resources sector and the ongoing debate about future economic policy in the national interest?

**Mr RUDD**—I thank the honourable member for her question, because it goes not just to what government is doing in terms of providing stimulus to the economy but to what the private sector is doing to provide stimulus to the economy as well. And that goes, of course, to the future of our major resource projects right across the country—although we spent time earlier in question time today speaking of the critical role of small business.

I informed the House yesterday that the government of Australia and the Liberal government of Western Australia had reached an agreement in terms of the responsibility for the storage of CO2 in geological formations under Barrow Island as part of the Gorgon LNG project. That is a particular responsibility in terms of long-term indemn-
fication arising from the sequestration action. But I draw to the House’s attention again the absolute financial significance of this project. If this project proceeds—although all approvals are not in place yet, and the Minister for the Environment has matters still to deliberate on—it will be a $50 billion investment. To put this into context, it is the largest single resource project in the country’s history. The government stimulus, if you take it together, adds up over time to some six per cent of GDP. This project in itself is worth about 5 per cent of GDP. It is a very large project indeed. That is why the Australian government, together with our other partners, has been actively engaged in deliberations on this with Chevron, ExxonMobil and Shell.

There are, of course, other projects which are being considered for future development as well. Yesterday I referred to Woodside’s $12 billion Pluto 1 development, which is well advanced. Chevron is also progressing the Wheatstone Project by awarding the on-shore front-end engineering and design contract. Wheatstone, for the information of honourable members, is to produce first gas in 2016. A final decision to proceed with the project is expected in 2011. This project involves two LNG-processing trains, each with a capacity of 4.3 million tonnes per annum, plus a domestic gas plant and export facilities at Ashburton North, west of Onslow.

Finally, Origin Energy today announced that its joint venture with ConocoPhillips, Australia Pacific LNG, had secured the Laird Point site on Curtis Island in the Port of Gladstone as a site for its proposed LNG plant. The construction of this project is estimated to be worth approximately $35 billion and is expected to produce up to 16 million tonnes of LNG per annum.

The reason I make reference to these projects is that the government, supported by the resources minister, other ministers in the government and the Treasurer, are actively behind the long-term resources industry of this country. We believe that the decision that we took—

Opposition members interjecting—

Mr RUDD—I do appreciate the howls on the part of those opposite. It was this government which took a decision with the Liberal government of Western Australia in a cooperative national interest frame to provide the indemnification necessary concerning the sequestration of the CO2 off the back of the Gorgon project—a necessary precondition for the project proceeding. It was a decision of this government, not of that opposition; a decision of this government in partnership with the Liberal government of Western Australia.

That project is of particular interest to the parliament not only because of the job implications—6,000 Australian workers at the peak of construction and $33 billion worth of goods and services being purchased over 30 years—but also because of the $40 billion, prospectively, in government revenue which will be delivered from the project over time. Of course that is important for the funding of the rest of our much-needed economic and social infrastructure across the country, because the more that we have by way of revenue streams from the resources sector, the less pressure that places over time over the rest of the taxation system.

I notice that tax has been a subject of some debate here in this chamber today. I notice that the questions asked by those opposite about the Henry review could well have been asked at any time from May last year. That is when we set up the Henry review, that is when we laid out its terms of reference and that is when we said what exemptions would exist in relation to it on the GST. Since then, that process has been un-
nderway: a rational process in public policy development. What has changed today—

Mr Pyne—Mr Speaker, I rise on a point of order. There is a facility for the Prime Minister to add to another minister’s answer at the end of question time. This question was not about the answer the Prime Minister is now giving. If he wants to add to the Treasurer’s—

The SPEAKER—The Manager of Opposition Business will resume his seat. There is no point of order.

Mr Rudd—How embarrassing it is for the opposition to be confronted with a Leader of the Opposition whose 279 tax proposals are out there for the entire nation to behold. They have slipped the old Ergas under the table, but when it comes to this one—

Mr Dutton—Mr Speaker, I rise on a point of order. This attempt at a grab for the news tonight is rubbish, and it is an embarrassment for the Treasurer. He should abide by your ruling—

Mr Albanese interjecting—

The SPEAKER—Order! The member for Dickson will resume his seat and the Leader of the House will resume his seat.

Mr Adams interjecting—

The SPEAKER—The member for Lyons will learn to absolutely leave the void alone, because it makes it very difficult for the chair. The member for Dickson knows that when he comes to the dispatch box he is to make a point of order and not argue a case. He is therefore warned. To the minister who cried, ‘Throw him out’: I have thrown that member out seven times for one hour for the same crime. I am not falling for the same mistake. He has to learn therefore that his warning places him in jeopardy of being thrown out by a motion of the House for longer periods.

Mr Albanese interjecting—

The government is so proud of its position on reform because we are prepared to tackle the hard questions: get on with the business of tax reform; get on with the business of health and hospital reform; get on with the business of education reform for the future; get on with the business of the implementation of long-term industrial relations, changes in the economy; and get on with the business of the restoration to the economy of proper economic recovery on the back of what government does by direct investment in the economy and what private sector projects, such as those I referred to in question
time today, can do to materially affect the wellbeing of all Australians.

I would say to those opposite: why do you constantly engage in the politics of talking down the economy? Why do you constantly engage in the politics of trying to punch our confidence in the economy? Whether it is on tax, whether it is on prices, whether it is on debt, whether it is on deficit, one strategic objective on the part of those opposite—as the Leader of the Opposition smirks and smiles—is to talk down the economy. Can I say to those opposite: why don’t you join the project of building up the Australian economy? That is the government’s intention. Why don’t you get with the action?

Mr Hockey—The Prime Minister has purged his soul!

Solar Energy

Mr Neville (3.25 pm)—My question is addressed to the Minister for the Environment, Heritage and the Arts. Is the minister aware that an insulation factory in my electorate, which is accredited under the government’s Energy Efficient Homes package has been the subject of numerous complaints and is headed by an undischarged bankrupt, who has apparently fled Bundaberg? Will the minister advise the House how such an operator received government accreditation and whether there are any other similar operators on the government’s register?

Mr Garret—I thank the member for his question. I did see the newspaper articles that he refers to concerning that particular installer in the Bundaberg area. I can confirm to the House and to the member that, to go on the register, it is a requirement of installers that they confirm they are privy to and understand all of the responsibilities that are necessary for proper accreditation as installers under the guidelines. On that basis, if there are any instances of installers who are in fact not observing the guidelines then we want to know about it, my office wants to know about it and the department also wants to know about it. There is a 1800 number that is available—

Opposition members interjecting—

The Speaker—Order! I give credit to the member for Hinkler. He is listening to the answer; the minister is responding to the question. The minister has the call.

Mr Garret—I would have thought that the House would have appreciated the opportunity to know that there are many means by which either members of this House or members of the public can be advised on whether there are difficulties in relation to the installation of ceiling insulation under the government’s plan. I make these additional points to the member for Hinkler. The first is that we have a robust compliance and monitoring program underway in order to ascertain whether there are any installments—

Mr Randall—How do you get a gangster doing it?

The Speaker—Order! The member for Canning will leave the chamber for one hour. That was a very regrettable statement.

The member for Canning then left the chamber.

The Speaker—Mr Hale interjecting—

The Speaker—Order! The member for Solomon will leave the chamber for one hour under standing order 94(a).

The member for Solomon then left the chamber.

The Speaker—The minister has the call. He will be heard in silence.
Mr GARRETT—The government will be checking tens of thousands of installations to ensure that they fulfil the requirements of the guidelines. I have asked my department to write to every single homeowner who has currently received ceiling insulation under this program to inquire whether any issues came about as a consequence of the installation.

Opposition members interjecting—

The SPEAKER—Order! The minister is responding to the question.

Mr GARRETT—My department has also written to installers reminding them of their particular obligations under the guidelines. Finally, I make this point to the member: I have also asked my department to specifically investigate the matter that he has raised in question time in relation to the installer in Bundaberg and report back to me by the close of business today.

And I want to add something more here—now that I have had the opportunity to answer the question that was put to me in some detail by the member—and that is that those opposite opposed putting ceiling insulation into the homes of Australians who want to reduce their energy costs and help reduce greenhouse gas emissions. It was the member for North Sydney specifically who opposed the fact that we thought that one way of getting jobs into regional communities would be to give people the opportunity to have ceiling insulation and to build local business at the same time.

Over 180,000 householders have taken the opportunity to have ceiling insulation in their roofs. Not only are they satisfying the obligations that they have to want to reduce greenhouse gas emissions but they are reducing their energy costs as well. This is a program that is working extremely well. If there are any issues that need to be addressed, we will address them in a vigorous and assertive manner.

Small Business

Mr BRADBURY (3.31 pm)—My question is to the Minister for Competition Policy and Consumer Affairs and Minister for Small Business, Independent Contractors and the Service Economy. Will the minister advise the House of the results of recent small business surveys? Are there any obstacles to economic recovery by small businesses?

Dr EMERSON—I thank the member for Lindsay for his question and for the opportunity to join him a couple of weeks ago on ‘Pollies for Small Business Day’, where we visited Gloria Jean’s at St Marys. I reckon I made 100 cups of coffee in proper coffee cups. It was a great testament to the commitment of the member for Lindsay to his local small business community.

At 11 o’clock today the Australian Chamber of Commerce and Industry released its latest small business survey. It shows that small business conditions have reached their highest level since November 2008. In fact, the expected future economic performance is reported to have ‘surged’—and that is the word that is used in that survey. These survey results build on other recent surveys showing a rebound in business and consumer confidence. The encouraging boost in small business confidence is due, at least in part, to the government’s economic stimulus package and its positive effects on jobs and the economy.

Opposition members—A very small part!

Dr EMERSON—We hear from those opposite: ‘A very small part.’ They are all over the place on this, as we know. Last week’s Dun and Bradstreet survey concludes:

The improvement … is a sign that the economic stimulus has been successful in encouraging household spending.
The ACCI survey reveals that small business expects conditions to remain quite challenging in the coming months. One of the main constraints on investment identified by small business is state government regulations. The Rudd government, through the Council of Australian Governments, is cutting red tape in no fewer than 27 areas of regulatory reform, moving Australia towards a seamless national economy.

The opposition leader has hit on the idea of cutting business red tape, too. Indeed, he started a competition to nominate the worst, most idiotic piece of red tape. That competition is being run by my counterpart, the shadow minister for small business—and it is now 447 days since he last asked a question of me. I have decided to enter that competition. In fact, I have two entries. The first is the current requirement on anyone providing financial advice to give a 100-page disclosure statement to each client—introduced by the former Liberal government and being removed by the Rudd Labor government. The second entry is the obligation on small businesses to send superannuation guarantee payments to the individual super funds of each and every employee—introduced by the former Liberal government and being removed by the Rudd Labor government. The second entry is the obligation on small businesses to send superannuation guarantee payments to the individual super funds of each and every employee—introduced by the former Liberal government and being removed by the Rudd Labor government. So I went looking for the stupidest piece of red tape and found that the opposition leader need only look in his own backyard. This is yet another example of bad judgment from the opposition leader—the same bad judgment he showed when he argued against the government’s stimulus package.

It is time that the opposition leader embraced microeconomic reform, as we remove the impediments to small business success on the road to recovery. But the opposition leader has given responsibility for policy development to the backbench, to the member for Menzies, the architect of Work Choices, which frees up the entire coalition frontbench to engage in its campaign of fear and smear. We know the opposition leader took policy responsibility from the Deputy Leader of the Liberal Party because whenever she submitted a policy idea he somehow felt that he had seen it somewhere before. The opposition should abandon its opportunistic campaign of fear and smear and get on board with the Rudd government’s program of economic reform for recovery.

**Nation Building and Jobs Plan**

Mr WOOD (3.35 pm)—My question is to the Minister for the Environment, Heritage and the Arts. Minister, will you confirm that up to $1 billion of borrowed stimulus funding is going overseas to buy cheap Chinese pink batts and pink batts from other countries rather than supporting Aussie jobs? Why is the government borrowing billions to buy cheap, Chinese pink batts?

Mr GARRETT—I thank the member for his question. It is the case that there are some imports of insulation products coming into Australia as a consequence of the government’s Energy-Efficient Homes package. I think that is a function of the great success that this stimulus package has had. I make the point to the members opposite and to those listening that, up until the time that the government introduced the fiscal stimulus package and the energy-efficient component of that package, we had local manufacturers starting to lay people off and local insulation factories starting to close down. As a consequence of the decisions taken by the government, we now have local manufacturers operating 24/7 and the industry confirming to me on a number of occasions that they are employing more and more people in order to meet the demand for insulation and to put ceiling insulation into people’s homes.

The fact is that the homeowners insulation program has been an outstanding success in driving and supporting the local manufactur-
ing industry and it has been an outstanding success in driving employment in those areas that count. I make the point to the member opposite that, when it comes to the supply chain for putting ceiling insulation in a householder’s home, it operates something like this. About 30 per cent of the supply chain goes to the insulation. There is a 70 per cent component of activities that are jobs; that refers to those other matters, whether they be dispatch from the factory, driving it down or making sure that the insulation in the roof is done properly. The government is fully committed to ensuring that our local manufacturing industry is well supported and has every opportunity to produce insulation for the home insulation plan, and that is what is happening. We would very much like to see the minimisation of imports from overseas in order to do that. I make the point that we are doing that by having consistent, ongoing consultation with the industry, but the members should be aware that all insulation installed under this package must meet Australian standards; that includes imported product, and there has been no evidence so far that any imported insulation materials do not meet the minimum standards. If there is any indication of that, I invite members opposite to draw it to our attention.

At the end of the day, this was a component of the stimulus package that the opposition opposed. Now we can see that it is providing a significant boost to local manufacturing, providing a significant boost to employment and doing the job that it was set out to do, and it will continue to do that.

**Trade**

**Ms VAMVAKINOU** (3.39 pm)—My question is to the Minister for Trade. Will the minister inform the House about his recent ASEAN meetings in Bangkok and how the outcomes will assist Australian exporters in recovering from the global recession?

**Mr CREAN**—That is very interesting after the last question, but I am happy to answer the member’s question. Just to put this into context, what we are dealing with is that Australia is one of the fastest-growing developed countries in the world and is dealing with a region that is the fastest-growing region in the world. So, therefore, the meeting in Bangkok over the weekend had for us three important objectives, all of which were achieved. The first was to ensure that we concluded arrangements such that the Australia-ASEAN-New Zealand Free Trade Agreement could come into effect from 1 January next year. The significance of this, of course, is that this is a market of 600 million people. There is already $80 billion in two-way trade between Australia and the ASEAN countries, and it opens up huge new market opportunities for a growth economy—a competitive economy—in a fast-growing region. I am pleased to say that I believe that we will be in a position in which this agreement will come into effect on 1 January next year.

The second objective was not just to involve ourselves in the negotiations surrounding our FTA but to look at the consequences of four other FTAs that had been concluded with ASEAN—one by China, one by Korea, one by Japan and one by India. It is very interesting that the previous member’s question seemed to think that, somehow, trading and taking cheaper product from China and using our comparative advantage to add value here to increase trade and job opportunities was somehow bad. I make this point: the second issue that we were discussing is how we could take those six free trade agreements that ASEAN has negotiated and develop a convergence so that we could take even better advantage of the opportunities in the region. Think about it: if you add the six to the ASEAN countries, you are talking three billion people and collective GDP of
$16\frac{1}{2}$ trillion. Again, we were successful in reaching agreement to find the convergence and the greater integration of the region—the second successful outcome.

The third successful outcome was to engage with India, which has undertaken to convene a ministerial meeting in early September to advance further the prospects of concluding the Doha Round. The reason for that meeting is significant. Members might recall that one of the countries with which we were having difficulty concluding the WTO last year was India. The fact is that it is now committed to developing a mechanism and convening a meeting to find the way forward in advance of the Pittsburgh G20 summit, which itself understands the importance of liberalising trade and concluding the Doha Round. That, too, was a significant mechanism. I am happy to report that we are continuing progress in terms of developing trade liberalisation in the region, and I will be happy to report further progress as this government continues to develop this proactive agenda.

**Budget**

**Mr CHESTER (3.43 pm)**—My question is to the Minister for Education. I refer the minister to the parental income test that prevents a student from the average Australian farming family from receiving dependant youth allowance despite the fact that the average farm income was only $62\frac{1}{2}$ thousand last year. Given that the minister now proposes to remove the gap year provision, which has until now allowed such students to receive independent youth allowance, where does the minister propose that these families should find the money to send their children to the city to attend university? Minister, when are you going to give a fair go to students on their gap year?

**Ms GILLARD**—I thank the member for his question because it gives me the opportunity to explain something that I think he would find deeply disturbing: that, under the current student financing arrangements, the participation of regional and rural Australians in universities has gone down. If the current arrangements were working to facilitate the kinds of families that he cares about, we would not have seen that result. So, in terms of the kinds of families he cares about—and I accept that he has raised this because of his personal concern about it—the statistics tell you that the current system is not working. When you talk to people about youth allowance, many can tell you a personal story about a very high income family that has a child living at home and attending university, who, through the gap year provisions, has managed to qualify for full income support. Indeed, the Bradley review pointed to the fact that in a large percentage of cases—36 per cent of cases, where people are living at home and getting the full allowance—there were these kinds of problems.

The Bradley review told us that there were families with incomes of more than $200,000 where people were getting the full student income support and living at home. That is not the circumstance of the families that you are talking about. The families that you are talking about have to send their kids away to study. They are families who earn, by Australian standards, middle incomes. That is why we have changed the parental means test so people in those kinds of income brackets will qualify for youth allowance based on their parental income. It depends, of course, on the number of children in the family but if you had two children in the family studying away from home you could be talking about parental income of up to $140,000 and still qualifying for youth allowance. And, if you do qualify for youth allowance, then you will also qualify for the relocation scholarship—$4,000 in the first year and $1,000 each year thereafter—and
you will qualify for the Student Start-up Scholarship of $2,254 a year.

**Mr Pyne**—Mr Speaker, on a point of order, the minister was asked specifically about young people in their gap year. We simply ask her: will she fix the problem that she has created for young people in their gap year?

**The Speaker**—Order! The Deputy Prime Minister is responding to the question.

**Ms Gillard**—Our changes will deliver greater benefits to the sons and daughters of lower and middle income Australians without requiring them to take a gap year.

**Mr Chester**—We have got a gap year right now.

**Ms Gillard**—The other problem with a gap year, and I am sure the member for Gippsland would be concerned about this, is that if you set up a whole system which requires people to take a gap year in order to qualify, many people who go on that gap year actually never go back into education. We should regret the loss of those children from Australian universities. The system that we are putting forward is one that will make a difference to precisely the families that you are talking about. That stands in stark contrast to the opposition who, in government, did nothing to address the student financing system that was seeing regional and rural participation go down. The National Party was complicit in that, watching regional and rural participation go down. We believe in it.

**Emissions Trading Scheme**

**Mr Dreyfus** (3.48 pm)—My question is to the Minister for Defence Personnel, Materiel and Science and the Minister Assisting the Minister for Climate Change. Why is it important that both the Carbon Pollution Reduction Scheme and the Renewable Energy Target legislation pass the Senate? Why is consistency important in policy?

**Mr Combet**—I thank the member for Isaacs for his question. Last night in the House the government’s renewable energy legislation was passed, and that was an extremely important development. The opposition was endeavouring to take a more constructive approach to that legislation—which was welcome—and to appear more constructive on environment issues. Indeed, it was endeavouring to demonstrate that there is some concern on that side about the issue of climate change. However, a fundamental test in this matter is to see this legislation successfully passed through the Senate into law so that the government can pursue and implement the target of 20 per cent of Australia’s electricity supply coming from renewable sources by 2020. Interestingly, however, it appears that even this issue is not so simple on the coalition side of politics, because there are reports that there was vigorous debate about the approach of the coalition in the party room discussion today. We are happy to see the member for Flinders making it into the chamber safely this afternoon, as we understand that there was a fair bit of anger directed towards the shadow minister on this issue, the approach to be taken—

**Honourable members interjecting**—

**Mr Combet**—Not too threatening. The important thing here is that this country needs to take action on both fronts: on establishing the renewable energy target legislation and on reducing our greenhouse gas emissions through the Carbon Pollution Reduction Scheme. We need consistency in national public policy making on these important issues. It is not enough to be in this place and to support, or not to oppose, the renewable energy target legislation. But, on the other side of the equation—we can all feel good about solar energy and geothermal and wind and wave power, and support the renewable energy target—the real test is the
establishment of the carbon price in this economy.

It is the Carbon Pollution Reduction Scheme that is going to make the contribution to shift investment away from higher-polluting industries into lower pollution forms of energy generation. The renewable energy target on its own will not achieve the billions of dollars of investment that this country needs in renewable energy sources or reduced greenhouse gas emissions. We need both institutional changes in our economy to secure this important change in the battle against climate change. We need a consistent approach in policymaking, and we need consistency from the opposition side of politics on this issue. It is critical not just to support the renewable energy legislation but also to support the Carbon Pollution Reduction Scheme legislation.

There has been too much walking on both sides of the street in national politics from the coalition on a number of key issues. There is an interesting interview in relation to this approach of having it a bit both ways from the doors of Parliament House this morning. The member for Cowan was interviewed at the doors this morning in relation to the stimulus package, and the interview is symptomatic of the approach we see from the coalition in dealing with key policy issues. They come in here, vote against the stimulus package, go out there and say it is good. The member for Cowan in fact went on to say this in response to the

Mr Robert—Mr Speaker, I raise a point of order with respect to relevance. What has that possibly got to do with the minister’s response to the question? What has that possibly got to do with it?

The Speaker—No, the member can make his point of order; he cannot then proceed to debate it.

Opposition members interjecting—

The Speaker—Order! Well, maybe in some eyes; maybe not in other eyes. The question went on to ask: why is it important to have consistency in policymaking?

Mr Combet—The response by the member for Cowan to the question about the effect of the stimulus was the following: ‘Well, with that, there has been a lot of money pumped in and people have spent it. There’s no doubt about that. I have been to local retailers in my area, and they say that people over in Western Australia have been spending. They’ve been spending for a long time now, even recently.’ So the journalist asked: ‘So Kevin Rudd can claim a bit of the credit for keeping us out of recession?’ The member for Cowan went on to respond as follows: ‘Well’—

Mr Simpkins—Mr Speaker—

The Speaker—Order! The minister will resume his seat. I simply say that, if the member is rising to say that he has been in some way misrepresented, he has an opportunity at another stage in proceedings to deal with that matter.

Mr Simpkins—He should stick to the answer.

The Speaker—Order! Has the member a point of order?

Mr Simpkins—Mr Speaker, I raise a point of order on relevance. What the minister just said then is nothing of what I said.

The Speaker—The member for Cowan will resume his seat. The minister is responding to his question. The minister has the call, and he will start to conclude his answer.

Mr Combet—The member for Cowan in fact went on to say this in response to the
question: ‘Well, money into the economy is obviously—people do actually spend money, and so there has been some consumer reaction out of that.’ The member for Cowan, along with other members of the opposition, of course, thinks it is fine to come in here and vote against the stimulus package, which is having demonstrable positive economic and employment effects, but to go out into the community and adopt an entirely different position. Consistency in politics is extremely important. You cannot, on the issue of climate change, say or present the impression that you support one leg of the institutional changes that are necessary—that is, the renewable energy target—but at the same time never get your act together to present a positive policy position on the Carbon Pollution Reduction Scheme and bring a carbon price into this economy.

This is the most significant reform that any government has ever endeavoured to undertake, in the face of one of the greatest challenges that we face, and you cannot produce a policy. The time is coming when the coalition is going to have to overcome the divisions within its ranks, overcome the scepticism about the climate—and the member for North Sydney is not here at the moment. He is fairly typical of the inconsistency as well, Mr Speaker.

The SPEAKER—The minister will conclude his answer.

Mr COMBET—The member for North Sydney is on the record as questioning whether human activity is contributing to global warming but on the other hand is out there saying you have to give the planet the benefit of the doubt. You cannot be a sceptic on the one hand and get in touch with your green side on the other; you have to have a consistent position. It is time, in the national interest, that the coalition side of politics got their act together. The time is coming when you will have to take responsibility, come forward, put forward your specific policy positions in relation to the Carbon Pollution Reduction Scheme and stand up for the national interest.

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

PERSONAL EXPLANATIONS

Mr TURNBULL (Wentworth—Leader of the Opposition) (3.58 pm)—Mr Speaker, I seek to make three personal explanations.

The SPEAKER—Does the member claim to have been misrepresented on three occasions?

Mr TURNBULL—Yes, Mr Speaker, and all in question time today.

The SPEAKER—Please proceed.

Mr TURNBULL—The first one was when the Prime Minister said that I had described what he called the ‘interbank lending guarantee’ as bad policy. I assume he refers to the wholesale term funding guarantee. That is not correct. As I stated in a personal explanation on 16 June 2009:

… the Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Bill … was brought into the House on 25 November by the government—

this was 25 November last year—

following a call for it from the opposition on 17 November in which I pledged bipartisan support. It was expressly supported by all the opposition speakers and carried without dissent on 25 November 2008, as noted on page 11,335 of the House of Representatives Hansard.

The Prime Minister has misled the House on that matter, as the Treasurer did back in June.

The second matter relates to a speech I gave at the National Press Club on 6 May. The minister for infrastructure said that in that speech I had claimed that the government’s stimulus program did not deliver one job and gave the example of jobs created in
building railways and roads. His statement is not correct. I said in that speech that the $23 billion in cash splashes had not delivered one job and in fact I complained that so much was spent on cash splashes and relatively little on real economic infrastructure such as roads.

Mr Albanese interjecting—

Mr TURNBULL—Do you want me to table the speech?

Mr Albanese—I’ve got it.

Mr TURNBULL—Well you have not read it. The third misrepresentation was by the minister for financial services, who referred to a discussion paper I published in 2005 with Jeromey Temple entitled *Taxation reform in Australia: some alternatives and indicative costings*. He said that in that paper we proposed 280 different models. That is not correct. What we discussed there was the way in which taxes could be made fairer, lower and simpler. The paper did not propose any particular set of changes but modelled the distributional consequences of a large number of changes to rates and thresholds. Indeed, as I said with Jeromey Temple in the introduction to the paper, this was done because of the importance of tax reform being seen to deliver benefits to a broad range of taxpayers and not simply those on the highest incomes.

Mr Albanese—Table that. Table your paper.

Mr TURNBULL—All right, I’ll table it. You can have the speech at the Press Club too.

Mr Albanese—No, you can’t have that.

Opposition members interjecting—

The SPEAKER—Order! Leave has been granted for the first document but leave has not been granted for the second document.

Mr ALBANESE (Grayndler—Leader of the House) (4.02 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr ALBANESE—I do, and through me, it could be argued, every member of the House of Representatives.

The SPEAKER—Please proceed.

Mr ALBANESE—Senator Stephen Parry, whom I am told is a senator from Tasmania and the Chief Opposition Whip in the Senate, put out a media release today commenting that lies were told in the House yesterday during the debate which changed standing orders. In his release, the senator indicates that there have been four changes to Senate sitting times and questions my criticism of current practices in the Senate, which have seen 21 packages of bills fail to be debated in the Senate. For the accuracy of the record and to back up my statement, the House of Representatives up until last Thursday, 13 August, had sat for 383 hours and one minute and the Main Committee for 151 hours and 39 minutes, making a total sitting this year of 534 hours and 40 minutes. The Senate—and the caveat on this is of course that there is time taken up by Senate estimates—has sat for just 236 hours and 26 minutes. I stand by my statements that the House of Representatives has worked in a way which is far more cooperative than the Senate has.

MINISTERIAL STATEMENTS

Pacific Agreement on Closer Economic Relations

Mr CREAN (Hotham—Minister for Trade) (4.04 pm)—by leave—I have the great pleasure today to make a ministerial statement informing the House of a significant outcome of the Pacific Islands Forum leaders meeting held in Cairns this month from which an agreement by all of the Pa-
cific Island leaders to commence negotiations on a new regional trade and economic integration agreement was announced. This agreement is known as PACER Plus. This decision is not only an important commitment to the future prosperity of our immediate region, but an important building block to further economic integration within and capacity building for the region.

As decided by the forum leaders in Cairns, the PACER Plus negotiations will involve at the outset: Australia, the Cook Islands, the Federated States of Micronesia, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, the Republic of the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu. The commencement of these negotiations comes after a period of exhaustive consultation throughout the region over the past 18 months. Exhaustive, but constructive and fruitful consultations, not only with ministerial counterparts in the region about the importance of trade and economic integration but also with senior officials, business groups and the NGO sector.

My ministerial colleagues—Stephen Smith, the Minister for Foreign Affairs, and parliamentary secretaries Bob McMullan and Duncan Kerr—and I have visited nearly all of the countries in the region to discuss with them on their soil the importance of regional economic integration and building capacity in the region. We have also held many bilateral meetings with leaders, ministers and senior officials on regional priorities including PACER Plus outside of their countries. We have also hosted training sessions for senior officials to develop their skills in this important area.

In preparation for the decision taken at Cairns, we also had important gatherings in which all countries participated. There was, in May this year, an informal meeting of Pacific trade ministers in Auckland as a precursor to the formal meeting of trade ministers in June 2009 in Samoa. That meeting in Samoa resolved unanimously the recommendation which went to our leaders in Cairns to commence negotiations.

Since then, and to maintain the momentum following the decision in Cairns, we have also agreed to move quickly to establish another meeting of trade ministers before November to set the framework for the negotiations. I have always been a believer in the process of consultation to secure progress, particularly in complex areas. I believe that this consultative process was necessary to overcome misunderstandings surrounding this agreement but also to get a better understanding of the genuine concerns of the region and the way in which we can help.

Out of those discussions, it was clear from the process that PACER Plus could address a number of issues common to the whole region to drive economic sustainability within it. For instance, the issue of compliance with Australian and New Zealand’s strict quarantine requirements has been raised as a concern for a number of Pacific island nations. Products are being rightly stopped at the border because they do not comply. So there is a real opportunity to provide training and skill development to increase quarantine compliance in the region.

Similarly, developing consistent rules of origin within the region would be of great benefit so that products are being sold not simply to Australia and New Zealand but within and around the Pacific region. Also the importance of improving aviation links to encourage greater tourism and the liberalisation of the telecommunications industry for business and conductivity are some other areas that have been raised as priority areas.

But it is also clear that there is great potential to develop a regionwide labour mobil-
ity and skills development program for the Pacific, particularly when you think about the large infrastructure projects within the region that are about to come on stream—the PNG LNG project, for example; the Australian Solomons goldmine, as another example; and the defence initiated infrastructure build-up in Guam. Of course, in addition to those common issues, each individual country is going to have an individual lists of concerns for their nation and their people. That too will become an integral part of the structure as we move forward.

I have talked in this place and elsewhere often of the twin pillars approach to trade reform—reform at the border and structural reform behind the border. I do that because there is no point simply opening up markets if countries are not competitive enough or productive enough to take advantage of the consequent liberalisation. We only have to look at one agreement in the region itself to understand the significance of this problem. SPARTECA is a good case in point. It was a commitment by Australia and New Zealand to open their markets for goods. I remember it well because I was the head of the trade union movement at the time it was developed.

Apart from some opportunities in textiles, the evidence shows that opening the markets is simply not enough. The reason is that in the case of developing countries it is complicated by the fact that they do not always have the capacity to undertake the structural reforms. Capacity building is essential. That is what is recognised in PACER Plus. It is putting the substance into the 'Plus' through aid for trade that responds to the needs identified by Pacific island nations. It could be country specific or it could be common to the region.

Quite frankly, from the point of view of trade, Australia is not primarily pursuing the PACER Plus agreement from the perspective of commercial benefit. Australia’s primary objective with PACER Plus is a more sustainable and prosperous Pacific—an aspiration that I am sure we all share. To not address these aspects of capacity building could easily result in not only underperformance or stagnation but failed states. This objective is born out of all of the evidence that demonstrates that prosperity can be secured by countries engaging effectively with trade.

Another issue going to capacity is the negotiating capacity constraints faced by forum island countries. To overcome this we have committed to providing forum island countries with appropriate negotiating and technical capacity building and support. This will enable forum island countries to fully participate in the negotiations and, ultimately, to reap the benefits of the new opportunities this agreement has the potential to deliver.

Australia and New Zealand have also committed to providing $500,000 each a year for three years to help fund the Office of the Chief Trade Adviser (OCTA). This will be based in Vanuatu and it will be there to provide independent support and advice to forum island countries over the course of the negotiations. Not only is its independence guaranteed but the office can also seek additional funding from other donors and, indeed, is encouraged to do so. Coming out of the Forum Trade Ministers Meeting in Apia, we have also moved quickly to provide funding and encourage the forum secretariat to advertise the OCTA position. The process has begun. Advertisements for the position were placed and applications closed on Friday, 14 August. We are confident that the OCTA will be established very soon.

Australia has also been aware of some bad experiences arising from other regional negotiations around the EPA, the European
Partnership Agreement, with the EU. We have listened and taken on board those concerns which have made many nations hesitant to activate PACER. The Rudd government in Australia and the Key government in New Zealand have not pushed for the activation of the relevant provisions of PACER, which is a separate issue to PACER Plus—and I will explain that in a minute. But we did not push to activate the initiatives under PACER, which we were entitled to do because they had concluded with the EU. We chose not to go down that path even before the problems with Fiji.

I should highlight that, when I am talking about PACER Plus, I am referring to the forum’s consideration of a new regional trade and economic integration agreement. This is completely separate from the PACER agreement. I recognise that the similar names—PACER and PACER Plus—have the potential to be confusing. But what is disingenuous in that confusion is the attempt by some to find a legal link between the two for the purposes of the Fiji issue, a country, I might say, which is increasingly showing little respect for the law.

Further, some argue that Australia has ‘pressured’ Pacific nations to commence these negotiations. That claim is not only wrong; it is disrespectful to the Pacific Islands Forum countries and their governments and it implies that Pacific Islands governments are incapable of judging what is in the best interests of their own people. The unanimous recommendation of trade ministers and the decision of the Pacific Islands leaders is to commence negotiations. It is not a commitment to conclude negotiations. Conclusion of the negotiations will be a product of the success of those negotiations.

It is also important to remember that PACER Plus negotiations, including any consequent tariff reduction, will occur over a number of years and then any associated obligations will only be applicable to those countries that sign and ratify the negotiated outcome. I hasten to add that such tariff reductions will not only be a consequence of PACER Plus. A reduction in tariff revenues is a necessary consequence of any trade liberalisation, however it happens, and a lot of it is happening already in the Pacific. It is happening at the multilateral level through accession to the WTO, which a number of countries are actively seeking. It is happening at the regional level through regional agreements, including PICTA and the EPA with the EU which I talked of before.

Nevertheless we do understand that this loss of revenue remains a concern to some countries. Research commissioned by the Pacific Islands Forum Secretariat on the revenue consequences of trade reform indicates that these consequences are manageable with the adoption of appropriate measures and carefully planned implementation. Samoa is an example of a country in the region that has made the successful transition to alternative nontariff based revenue structures. To assist the process of adaptation, we have provided funding for each Pacific Islands Forum country to commission independent research on PACER Plus to assess these and other impacts.

But the real message on how best to adjust is to secure new revenue streams through stronger, more sustainable economic growth coming from trade liberalisation and structural reform. The benefits of growth include jobs, wealth creation and new revenue opportunities. I say that because trade liberalisation does provide a very solid basis for growth. Trade is a multiplier. Trade in global terms has grown at three times the rate of world output over the last 50 years. Trade is also a stimulus, which is why world leaders have elevated it to the suite of measures to address the global financial crisis. So, whilst
tariffs are only one part of government revenues, self-sustaining economic growth and competitive engagement in the regional and global economy can provide a reliable and growing base of taxation revenue for each Pacific Islands Forum country. Australia believes that PACER Plus will help achieve this by boosting trade revenue earnings for companies and governments alike.

I now turn to the issue of Fiji in the context of PACER Plus. Fiji is a key regional economy, and it is important to remember that the measures taken against the military regime are not targeted at the people of Fiji. We have always been mindful of the need for Fiji’s participation in any concluded PACER Plus agreement because they are so integral to the region. The problem is that the actions of Commodore Bainimarama and his regime have led to Fiji’s suspension from Pacific Islands Forum activities. In effect, Fiji has excluded itself.

PACER Plus is a Pacific Islands Forum initiative, and so it must have due regard for the leaders’ decision in January of this year in Port Moresby to suspend Fiji from Pacific Islands Forum activities if a timetable for a return to democracy was not established by May 1—a decision reinforced by forum leaders in Cairns two weeks ago. Trade ministers and leaders are mindful of the need to keep Fiji engaged. But it has to be done through a mechanism consistent with the leaders’ previous decisions involving Fiji’s suspension. Accordingly, leaders agreed that Fijian officials would be kept engaged and informed of the negotiations following each negotiation meeting by a representative from that meeting, with the representative also able to convey back to the next negotiation meeting any views from Fiji.

In line with this government’s commitment to transparent and inclusive trade policy, we have also ensured that there has been opportunity for state and territory governments, domestic stakeholders and interested members of the public to express their views on Australia entering into PACER Plus negotiations. More than 30 written submissions have been received to date, including from companies, industry bodies, academics, non-government organisations, unions and individuals. Meetings have also been held in state capitals with a wide variety of interested stakeholders.

There is a strong view amongst domestic stakeholders that capacity building and development assistance should be at the heart of the negotiations, to equip forum island countries with the necessary tools to take full advantage of the opportunities arising from greater regional integration and trade. A number of stakeholders have expressed concerns on the need for forum island countries to undertake domestic consultations, possible loss of tariff revenue and the potential impact of trade liberalisation on small and fragile forum island country economies. I acknowledge these concerns and we have been active in engagement and consultation—consultation which will not stop. We will continue it. But to do nothing until all consultations are concluded is just a recipe for delay. What are we supposed to consult on, realistically, if we have not commenced negotiations? By starting the discussions formally, we can inform and provide a dynamic to the consultations each country has already engaged in but which will be ongoing.

I am very pleased to make this report to the House. It is a significant development. PACER Plus has the ownership of all Pacific Islands Forum leaders. The decision by the leaders reflects a genuine desire to build economic sustainability in the region, and to recognise the different stages of development each country is in. We have sought to understand the concerns of the region, to address the misconceptions created by previous ne-
gotiations, and to work constructively with our neighbours in the Pacific in order to realise the great potential of the region. It has taken a lot of effort to get here, but I can report significant progress. The task ahead of us now is to build on these foundations. That is what the Rudd government is committed to achieving, and I commend the initiative to the House.

I now table a document that, together with this statement, summarises the views submitted as part of the consultation process. I ask leave of the House to move a motion to enable the Leader of the Nationals to speak for 20 minutes.

Leave granted.

Mr CREAN—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Truss (Leader of the Nationals) speaking in reply to the ministerial statement for a period not exceeding 20 minutes.

Question agreed to.

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.25 pm)—May I begin by welcoming the fact that the PACER Plus negotiations have taken another step forward. It is a fairly tiny step, and there will be many, many more steps to follow, no doubt, but I hope that these negotiations can come to a successful outcome. In the end, the benefits of a PACER Plus agreement will be more about the relationship that Australia has with the countries of the Pacific than it will be about economic benefit to this country. Frankly, I believe that a PACER Plus arrangement can provide real benefits to our Pacific neighbours and that it can give them an opportunity to look constructively at their economies and the way they are structured and to appreciate some of the benefits of opening up their economies so that they can participate more fully in the global economic environment.

For some time Australia and New Zealand have eliminated any barriers we may have had to the products produced in the countries of the Pacific, but there has not been a great deal of response from the Pacific island countries. To some extent, I think that has been partly the result of the not-very-good advice that they have been given by nongovernment organisations, many of them out of Europe and other places, who have persuaded them that it is not appropriate for little countries to open up their economies, that they are better off for them to be closed to protect uneconomic and largely unproductive industries, rather than to give themselves an opportunity to participate fully in a broader and more open market.

Many of the economies of these countries are limited and narrow—we accept that—and many have little more than subsistence industries. Others have significant tourism industries and have sought to host industries both primary and secondary, such as manufacturing, over a long period of time. Samoa, of course, is an interesting example, because one factory in Samoa that exports circuitry to Australia’s motor vehicle industry, I understand, is responsible for over 80 per cent of the entire Samoan economy. I will refer to that factory again a little bit later on, but it is a demonstration that it is possible to have a manufacturing sector in these countries and for it to be broadly competitive with the rest of the world, particularly if it is prepared to open itself up to the latest technology and feed a market that is looking for this kind of sophisticated circuitry.

As I mentioned earlier, the relationship between Australia and New Zealand and the countries of the Pacific has been ongoing, but it has not always been a completely harmonious relationship. We are very much, I guess, the ‘big brother’ of the region and I think Australia and New Zealand accept that we have a particular responsibility to those
microeconomies, to do what we can to help them improve their own standards of living and to engage with the world.

The original PACER agreement was signed in 2001. It stands, incidentally, for Pacific Agreement on Closer Economic Relations, but the word ‘PACER’ is used so extensively now that I suspect people have even forgotten what it actually stands for. It was designed to provide closer economic cooperation between the 16 countries of the region. Australia and New Zealand have provided duty-free access for inbound Pacific island goods for almost 30 years, enabling annual trade with the Pacific to grow—the last figures I saw were from 2006—to almost $7 billion. There is a deficit for Australia in the trading relationship of over half a billion dollars, and that of itself ought to be a signal to the countries in that region that they have nothing to fear from a stronger relationship with nations like Australia and New Zealand, that we can help build their economies.

Under the 2001 agreement, Pacific countries were obliged to negotiate trade agreements with Australia and New Zealand if they entered into free trade agreement discussions with another developed country so that Australia and New Zealand were not disadvantaged by the concessions that were written into the PACER agreement. Pacific nations began talks in 2001 with the European Union over an economic partnership. That, in a sense, triggered the need to commence discussions in relation to PACER Plus.

The Forum trade ministers agreed in 2005 that there was a need to move beyond the SPARTECA arrangements towards a more comprehensive framework for trade and economic cooperation between Australia, New Zealand and Forum island countries, as provided for under PACER, to foster economic growth, investment and employment in the region. That was a significant step in the process of taking the relationship further. It became necessary because, particularly under the SPARTECA arrangements, Australia and New Zealand had made concessions to countries like Fiji—and the minister referred to those concessions in relation to the textile industry a little earlier—and on the Samoan imports that I referred to earlier. Those concessions repeatedly had to be made more and more generous; otherwise, they ceased to be effective. Initially it was supposed to be a 50 per cent local content rule, and that number progressively became smaller to the stage where the local content, even of the Samoan circuitry, had reached quite a low proportion of the value of those goods. But Australia continued to grant the extra concessions. We did so because we knew it was important for Samoa. There was not any particularly great objection from Australian manufacturers on that issue. But we knew also that if we allowed that industry to close Australia and other countries would need to provide assistance of various forms to the Samoans to enable their economy to be sustained at the level that it had been at that time. So we kept making all of those additional concessions. We went beyond what the black letters of SPARTECA actually said because we wanted to support those economies.

That is why I was particularly disappointed, in my own brief involvement in discussions about this agreement, that the non-government organisations were reacting so negatively to the relationship with the larger economies of the region and telling these countries that Australia and New Zealand had obligations to them and therefore there was no responsibility for them to actually try and do something to improve their own economies. They were, I guess, afraid of the future. It has to be accepted that most of those nations will never have the capacity to do a lot of economic research of their own to
make their own independent assessments about what is best for their country, so they will be depending upon advice from other places. But those non-government organisations and others that give that advice should not take advantage of these countries by giving them advice that is fundamentally unsound. They should have been honest with these economies and shown them how those least developed countries in the world that have opened their economies have in fact grown and prospered as a result. There are few, if any, examples of poor countries that opened their economies and suffered as a result. In fact, they become exposed to the technology of the world and they grow, and usually their own industrial potential grows and expands as well. Their economy diversifies. So it is very much in the interests of the poorest countries of the world to do what they can also to improve their economy. The negotiations on PACER Plus can, I think, play a useful role in that regard.

When advised that the Minister for Trade was proposing to make this statement I got out a press release that I issued myself on 14 June 2007 on this subject. Many of the themes in the minister’s statement were reflected in that press release just two years ago. When I was referring to the new so-called PACER Plus, I said:

It will foster economic opportunities and competitiveness for countries in the region and help Pacific Island countries secure the benefits from liberalisation and integration while operating within WTO rules. The economic gains from PACER Plus will be firmly geared towards the sustainable development of Pacific Island countries and their gradual and progressive integration into the world economy. Australia and New Zealand recognise the capacity constraints facing Pacific Island countries and their other trade negotiation preoccupations at this time. For that reason, we are receptive to a phased and careful approach to consultations and subsequent negotiations. We are committed to a cooperative, friendly consultation and negotiation process to liberalise regional trade.

I think those are the same sentiments that the minister expressed in his ministerial statement, and therefore I can say nothing more other than that I concur with the advances that have been made. The fact that it has taken two years to get to this stage, I suspect, is an ominous sign as to how long it might take to get to the conclusion. I notice that the minister’s statement made the telling point that this is an agreement to begin talking. It is not yet an agreement that will lead to a final position, but I hope that it does. This is an important step, and I believe that it is important for these countries that they enter these negotiations with courage. I assure the minister that I endorse his comments that there will be no attempt by countries like Australia and New Zealand—because we are bigger and stronger—to take advantage of the poor countries in these negotiations. We want what is best for them, and I think that the PACER Plus negotiations, if conducted in good spirit, can be beneficial to these small economies.

I note the minister’s comments in relation to Fiji. It is regrettable that Fiji cannot be a part of these negotiations. It is one of the bigger economies of the region, but they clearly cannot be included while the country’s democratic situation is as it is. It is true that Australia has sought to protect the people of Fiji from the actions of their government and there is merit in that approach but, on the other hand, it has limited our capacity to take the kind of really stern action that is probably necessary to deliver a better outcome for the people of Fiji. I think it is about time for us to look at what more we can do to put additional pressure on Fiji to restore democracy and to participate in discussions
like PACER Plus. They would benefit significantly from those discussions. We do give them concessions under SPARTECA. Fiji is not quite as important to Australia anymore as a supplier of textiles, but whether we can continue to bend the rules to give them a special place in the trade into this country when there is clearly no state of democracy in that land is something that needs to be kept under constant review.

Many of these countries are places we love to visit. They have wonderful tourism industries. They are cheerful people who give Australians on holiday a wonderful welcome and it is an important industry for them. But it is important for those countries and for us that they develop a broader economy so that they are able to sustain a continuing growth in the standard of living of their own people and participate more fully in international negotiations. I compliment the minister on getting us this little further step along the way. Both he and I will probably have to be here quite a long time to have another announcement about the successful conclusion of these negotiations, but I certainly encourage the government to do what they can to walk carefully through the processes so that there will, in the end, be a good outcome.

Afghanistan and Pakistan

Mr STEPHEN SMITH (Perth—Minister for Foreign Affairs) (4.39 pm)—by leave—I wish to update the House on Australia’s approach to Afghanistan and Pakistan. My colleague the Minister for Defence updated the Senate on 12 August on the security situation in Afghanistan and on Australian efforts to help bring security and stability to Afghanistan as part of the United Nations mandated International Security Assistance Force. The Minister for Defence and I want in particular to ensure that the parliament and the Australian people are well informed about Australia’s commitment to Afghanistan. Minister Faulkner described Australia’s military role. I will place that highly valued role in the context of Australia’s across-the-board, whole-of-government approach to Afghanistan. I will outline recent enhancements to our civilian and diplomatic engagement in and with Afghanistan. I will also detail the related situation in Pakistan.

The strategic objective which Australia and our partners in the international community are pursuing in Afghanistan is clear: it is to ensure that Islamist extremists and terrorist groups are denied safe haven in Afghanistan so that Afghanistan does not become a breeding ground or hotbed for international terrorists. Failure to achieve this objective would lead to a jihadi state and again allow international terrorists to re-establish themselves in Afghanistan. It would also put intolerable pressure on neighbouring Pakistan.

International terrorism emanating from Afghanistan and Pakistan poses a grave threat to both those countries, to the region and to the world. Australia is not immune from this threat. More than 100 Australians have been killed in terrorist attacks in recent years in Bali, London, Mumbai, New York and, most recently, Jakarta on 17 July. Many of these attacks were perpetrated by terrorists who trained in Afghanistan or Pakistan.

It is unambiguously in Australia’s national interest to work with the United Nations, Afghanistan, Pakistan and our partners and friends—the United States, the United Kingdom, Canada and, in particular, the Netherlands, with whom we work closely in Oruzgan province—together with our NATO and ISAF coalition partners, to stare down this threat. To achieve our objective, we continue to play our military role in the United Nations mandated NATO led force in Afghanistan. Our objective, however, can only be achieved through an approach that com-
bines military action with national development and political effort. The pursuit of our objective is built around a number of policy and operational strategies: military, civilian, political and regional engagement.

The Prime Minister announced in April the deployment of additional Australian troops both to support the Afghan elections to be held later this week and to provide training to Afghan security forces. Both sides of the House support that commitment and recognise the excellent work of our troops. Greater recognition, though, needs to be given to the work of our diplomats, aid officials and police officers in very difficult and dangerous circumstances.

The magnitude of the task ahead in Afghanistan should not be underestimated. While the problems in Pakistan and Afghanistan are linked, Australia recognises that Pakistan and Afghanistan have their own histories and that the nature and character of each nation is different. Australia both understands and values what is distinctive and special about each country, and has a different policy emphasis towards each. Afghanistan is an extremely poor country with a troubled past. It continues to suffer from violence, poverty and corruption exacerbated by an extensive narcotics industry, which is also funding the insurgency. Australia believes Afghanistan deserves a future in which its people can live in peace and security, with better health services and better educational opportunities for Afghan girls and boys.

Progress is being made. The Afghanistan of today is far removed from Afghanistan under Taliban rule. School enrolment has jumped sixfold. Thirty-five per cent of children at school are girls. Only eight years ago all girls were banned from school under Taliban rule. Under-five mortality has dropped 25 per cent. With international support, Afghanistan has held presidential, parliamentary and provincial council elections. Twenty-seven per cent of seats in Afghanistan’s parliament are held by women. Australian assistance is contributing to these results.

Australia will continue to work closely with the Afghan authorities, the United Nations and the international community to help Afghanistan continue to improve on these fronts. On Thursday this week, 20 August, Afghanistan will hold elections. These are the first Afghan led elections in 30 years. Afghans will be electing a president and 420 provincial council members, including 120 positions reserved for women. This is an important step for Afghanistan’s developing democracy and for a country that was ruled by the brutal Taliban regime until 2001.

Australia is helping to provide extensive international assistance to ensure the elections are as secure and efficient as possible. On the security front, the government has deployed an infantry company, about 120 troops, specifically for election security, and additional military airlift capacity to help provide logistic support during the course of the election. An Australian Army officer, Brigadier Damien Cantwell, is the Chief of the Election Task Force within the Headquarters of the International Security Assistance Task Force. Brigadier Cantwell coordinates security efforts between Afghan authorities and the International Security Assistance Force, ISAF, to ensure a comprehensive, synchronised and cooperative approach to security for the elections.

On the civilian side, Australia has provided $9 million in support of the elections, including for voter registration, voter education, public outreach activities and to establish the Independent Electoral Complaints Commission. Australia is also supporting a regional election observer mission. This will see 50 men and women from Asian countries
observing the Afghan elections. As well, we have supported the training of 200 female Afghan election observers. We will also have a small team of three Australian civilian observers who will contribute to ensuring the polls are conducted properly. The precise role and placement of the observers will be determined by security at the time.

The Afghan government, UN agencies and ISAF have done much to try to ensure that the elections are credible, secure and with the broad participation of the Afghan people. This has not been easy for a range of reasons, including Afghanistan’s challenging geography, nascent institutions, and a security environment where the Taliban aim to disrupt the elections and prevent ordinary Afghans from exercising their democratic rights.

I am concerned that the days ahead are likely to see a continuing escalation of violence. Afghanistan is a dangerous environment and the election makes it even more so. We should not forget the Taliban have announced they will deliberately target the elections. This was vividly and tragically demonstrated by the Taliban suicide attack in Kabul on Saturday, 15 August in which seven Afghans were killed.

Notwithstanding the challenges, preparations for the elections by all accounts are on track. About 16 million Afghans are enrolled to vote. The Special Representative of the United Nations Secretary-General for Afghanistan, Kai Eide, recently said he has never witnessed such a vibrant political debate in Afghanistan. The Taliban has not been able to suppress this debate, in spite of their efforts to intimidate and terrorise the Afghan people.

The elections are also important in reinforcing the authority of the Afghan government, which strives to present the Afghan people with a better future than that offered by the Taliban. Critical as they are, the elections are only one step in the pursuit of improved circumstances. Irrespective of which candidate or candidates might actually win, the newly elected Afghan government will need to commit to addressing corruption and investing in and building public services and the institutions of state.

Australia is committed to a substantial capacity-building, nation-building, development assistance contribution to Afghanistan. Civilian development efforts are an essential complement to military force in stabilising Afghanistan. These efforts are an essential part of the overall strategy in Afghanistan. Last year, Australia pledged $250 million in civilian development and reconstruction assistance to Afghanistan. This brings Australia’s total development assistance commitment to over $600 million since 2001.

The government is increasing the number of AusAID personnel and technical advisers working in Afghanistan to strengthen the capacity of key Afghan ministries. A senior AusAID position will be established in Kabul to lead Australia’s development program. In the coming months, Australia will also provide up to six technical specialists, including to advise the ministries of health, education, agriculture, and rural reconstruction and development. The first of these specialists will commence in September and work with the United Nations and the Afghan Ministry of Agriculture to coordinate international assistance in the agriculture sector. We are also considering establishing an additional small number of positions in southern Afghanistan.

Australia’s development assistance has already contributed to improvements in health, education and community development. Australia’s aid has been put towards Afghan government efforts to build over 800 schools and provide basic health services to about 80
per cent of the population. We have contributed to the rehabilitation of 9,000 kilometres of road nationwide and helped generate over 12 million days of community labour.

Oruzgan province has been the focus of the Australian Defence Force’s mission in Afghanistan. Australia’s civilian development efforts have complemented our military contribution by supporting the rehabilitation of important rural roads and helping to fund wells and irrigation in rural communities in Oruzgan province.

Australia responded positively to last year’s food crisis brought on by serious drought. This included feeding 30,000 needy children in Oruzgan. Australia is also supporting a program that teaches health and hygiene to around 2,000 primary school children in Oruzgan. Our practical efforts are focused on delivering results for the Afghan people at the national and provincial level. We are working with the Afghan government to build its administrative capacity to provide basic services and security for its people.

In parallel with Australian Defence Force efforts to build the capacity of the Afghan National Army so that in time Afghanistan can defend itself, the Australian Federal Police, the AFP, will deploy additional resources to Afghanistan to enhance Afghan National Police capacity, as Home Affairs Minister O’Connor announced this morning. Australian Federal Police officers are also building the capacity of the Afghan police in the areas of criminal investigation and counternarcotics, all vital tasks as we help the Afghan government develop the means to cater for its own internal security.

The conflict in Afghanistan will not be ended by military force alone. At some point in the process, there needs to be a political reconciliation in Afghanistan to ensure that the vast bulk of the Afghan people who want to take part in a political process in a peaceful way are able to do so. Those who do not want to pursue their ideas or ideals through the barrel of a gun must have the full and appropriate opportunity to engage in such a political process without ongoing fear for their security.

These political efforts are not a substitute for the military, construction and capacity-building efforts that the Minister for Defence and I have outlined. On the contrary, if political reconciliation and realignment efforts are to yield fruit, it will be essential to maintain military pressure on hardcore terrorists, while at the same time offering those less committed to such a course the opportunity to renounce violence and accept the Afghan government’s conditions for rapprochement. These conditions continue to be that insurgents respect the Afghan constitution, lay down their arms, and no longer support groups taking part in international terrorism.

To be sustained over the long term, any political settlement in Afghanistan will need to be supported by regional powers, including Afghanistan’s South and Central Asian neighbours. I welcome recent high-level discussions between the Afghan and Pakistani leadership. Pakistan is a strategically important country. It is critically located at the intersection of South Asia, Central Asia and the Middle East. It has the second largest Muslim population in the world and on current projections will overtake the larger Muslim population of Indonesia by midcentury. What happens in Pakistan directly affects the security of the region and Australia’s long-term national interests. Since the government came to office, it has increased its engagement with Pakistan. I visited Pakistan in February—the first visit to Pakistan by an Australian foreign minister in over a decade—to enhance bilateral relations and urge decisive action by Pakistan against terrorism and against extremists crossing the border into Afghanistan.
Pakistan faces complex and urgent security, economic, humanitarian and political challenges. The threat of terrorism and extremism has become so severe that even President Zardari himself has now described it as a threat to Pakistan’s very existence. As in Afghanistan, stabilising Pakistan’s border regions must involve a combination of strategies. Pakistani security forces are now turning their attention to South Waziristan and continue to conduct counterinsurgency operations in areas of the North-West Frontier Province in an effort to drive out extremists and terrorists operating in the area. The Pakistan government now faces the long-term task of holding the ground the Army has cleared.

A military solution alone will not solve Pakistan’s fight against terrorists. As my colleague the Foreign Minister of Pakistan, Mr Qureshi, says, Pakistan cannot solve its security problems without solving its economic problems as well. It will require a comprehensive approach, fostering economic reform and development, building capacity and improving governance. Australia stands ready to assist Pakistan in this task. It is also vital that the Pakistan government makes every effort to protect the welfare of citizens caught up in the conflict and ensures that international human rights obligations are met.

The conflict in the North-West Frontier Province has displaced more than two million people. Australia welcomes the recent announcement by the Pakistan government that displaced persons are beginning to return to their homes and that over 765,000 registered internally-displaced persons have returned to their places of origin. Up to 33 per cent of displaced populations have returned to the Swat and Buner districts. It will be important that the returnees are helped to rebuild their lives and their communities as quickly as possible. Australia has provided $23 million to help meet the humanitarian needs of these internally displaced people since August 2008. Australia’s contribution has been directed through United Nations agencies, the International Committee of the Red Cross, the World Food Program and Australian and international nongovernment organisations to meet the immediate needs of adversely affected communities. Australia continues to monitor the situation and will provide further support for humanitarian and reconstruction efforts as appropriate.

Australia condemns unreservedly the recent brutal terrorist attacks in Pakistan. The attack on the Pearl Continental Hotel in Peshawar earlier this year was especially shocking, as it killed innocent Pakistani civilians and United Nations workers helping Pakistanis who had fled fighting in the border areas. This included United Nations workers directly engaged in delivering Australian development assistance to Pakistan over a long period. In recent months, four staff from the UNHCR and UNICEF have been killed in Pakistan. Pakistan has said that this is its war. We look to Pakistan to take the lead in implementing strategies to combat extremism, to promote stability and to foster economic development.

As we urge Pakistan to deal with these challenges in an integrated and comprehensive manner, at the same time Australia stands with the government of Pakistan in its fight against extremism. As a founding member of the Friends of Democratic Pakistan, Australia is working with Pakistan and the international community to ensure a coordinated effort is made to support Pakistan. We are enhancing our defence and law enforcement engagement. We have increased the number of defence training places in Australia for Pakistani personnel from 10 to seventy. Australia is also providing technical assistance and training to Pakistan’s financial intelligence unit to tackle terrorist financing.
We are assisting Pakistani police to improve their forensic investigation techniques.

Australia encourages Pakistan’s efforts to address structural economic issues which impact negatively on the people of Pakistan. At the Pakistan Donors Conference in Tokyo in April, I announced that Australia’s aid program to Pakistan would rise to $120 million over the next two financial years, representing a doubling of development assistance in 2008-09. This assistance is focused on the provision of health and education services, including in the Pakistan-Afghanistan border region.

Our aid program also focuses on improving rural livelihoods, strengthening standards of democratic governance and protecting internationally recognised human rights standards. Australia’s support has helped improve food production in the border areas, building better food security and rural livelihoods. We have also contributed to the development of effective agricultural extension programs and integrated crop management practices in the Punjab, Sindh and the North-West Frontier Province, which has delivered increased crop yields and better incomes for rural farmers.

Our support for voter education in the North-West Frontier Province and Balochistan has improved civil society participation in the electoral process. Other assistance is focussed on promoting democratic governance and strengthening social justice and community participation in 40 districts in all four provinces of Pakistan. This program will build the capacity of local-level community institutions and civil society networks, strengthen the role of women in community development processes and strengthen public-private partnerships for primary education, mainly for girls.

Pakistan remains the first country of refuge for millions of Afghan refugees. Australia has and will continue to provide assistance to help meet the needs of the refugees. Australia and Pakistan are working together to explore avenues to expand trade and investment, particularly in agribusiness and agricultural science linkages.

The government has boosted Australia’s diplomatic resources to deepen our engagement with Afghanistan and Pakistan, our partners, the United Nations and NATO. The appointment of Australia’s Special Envoy for Afghanistan and Pakistan, Mr Ric Smith, is a demonstration of our commitment to coordinated and effective regional and international diplomacy. Special Envoy Smith was appointed in April to ensure that Australia’s significant commitments are integrated into the broader international effort. Australia’s Special Envoy represented Australia at the G8 Foreign Ministers’ Outreach Meeting and has visited Afghanistan and Pakistan, and reiterated to its leaders Australia’s long-term commitment to both Afghanistan and Pakistan.

Australia’s commitment to Afghanistan is underpinned by a UN Security Council mandate and supported on the ground by 42 countries forming the International Security Assistance Force in Afghanistan. I note that ISAF Commander, General Stanley McChrystal, is currently undertaking an assessment of the situation in Afghanistan and that he will report his findings to the US Administration and the NATO Secretary-General when complete.

Australia’s combined military, development, and diplomatic efforts, in partnership with other coalition members, is aimed at denying Afghanistan as a training ground and operating base for terrorist organisations; stabilising Afghanistan; and building the capacity of the Afghan government and security forces to better provide for the welfare and security of the Afghan people.
Australia supports Pakistan in its efforts to overcome its complex security, economic and political challenges. These are complex challenges which directly impact on Australia’s national interests and which the government remains committed to addressing head-on. I thank the House.

I ask leave of the House to move a motion to enable the Deputy Leader of the Opposition to speak for 21 minutes.

Leave granted.

Mr Stephen Smith—I move:

That so much of the standing and sessional orders be suspended as would prevent Ms J. Bishop (Deputy Leader of the Opposition) speaking in reply to the ministerial statement for a period not exceeding 21 minutes.

I apologise in advance to the Deputy Leader of the Opposition. An unavoidable commitment means that I cannot stay and listen to her speech, which I would of course normally do.

Question agreed to.

Ms Julie Bishop (Curtin) (5.01 pm)—The coalition welcomes the government’s commitment to a region that is critical for Australia and for the world. The coalition supports strongly the work of Australian military and civilian personnel serving in Afghanistan. It is important that bipartisan support endures for this work because it will require a long-term commitment if the NATO-led mission to Afghanistan is to be successful, which also has major implications for stability within Pakistan—a country with nuclear capability.

In terms of modern warfare, there is a tension between long-term military commitments of democratic nations and the electoral cycle, and the inevitable pressure that builds with ongoing casualties and the often slow rate of progress in terms of necessary nation building during and after the conflict. The task that confronts us in Afghanistan is daunting. After decades of conflict, the nation is desperately poor, with unemployment estimated at approximately 40 per cent. It is estimated that some 50 per cent of Afghans live at or below the poverty line. While there have been improvements, recent figures still show that fewer than 30 per cent of the total population is literate, while only about 13 per cent of women are regarded as literate. National infrastructure has been severely degraded and large numbers of people live without adequate access to housing, clean water, medical care, food and electricity. There are serious and ongoing concerns about the ability of national institutions to provide adequate governance to the country in terms of economic, social and security considerations. Afghanistan is reported to now account for the vast majority of opium production world wide, and this presents a serious challenge in terms of finding viable alternative crops for many farmers in their communities.

During a recent visit I made to Afghanistan with the Leader of the Opposition and the shadow minister for defence, I was told that the single, largest source of income to the government of Afghanistan was the flyover fees paid by international airlines. There are very significant structural problems in Afghanistan that simply cannot be redressed by a short- or medium-term commitment from the international community. The scale of the challenges means that we are talking about international involvement of some character over a generation or more.

Education is a critical issue for the region, because the foundations of the current crises in Afghanistan and in Pakistan are to be found in events of the late 1970s and the 1980s and earlier. It is worth recounting a little of this history to gain an insight into the nature of the task ahead. It was during this time that the number of religious schools known as madrasahs greatly increased in
number in Pakistan. There were estimated to be fewer than 200 madrasahs in Pakistan in 1950, growing to more than 10,000 by 2001, and it is currently estimated that there are more than 40,000 madrasahs in Pakistan. The Pakistan military are reported to have encouraged the growth in the number of these schools, because many students from Pakistan went on to fight against the Soviet Union in Afghanistan during the 1980s.

There was a policy of encouraging extremism, which it was believed would act as a bulwark against the Communist ideology of the Soviets, then occupying Afghanistan. This was a successful strategy in that the Soviets were eventually forced to leave Afghanistan in 1989. However, the madrasahs continued to increase in number and continued to influence millions of Pakistanis and Afghans and to radicalise a significant number of them. These religious schools played a key role in the emergence of the Taliban—which in Pashto means ‘students’. By 1992 the mujaheddin had swept away the last vestiges of Soviet rule and took control of the capital, Kabul. The mujaheddin were not able to agree on power-sharing arrangements and the country was beset by conflict, often verging on civil war.

It was in this unstable environment in Afghanistan that the Talibam became established in Kandahar, in the south of the country. The Taliban were initially supported by many Afghans, who had tired of the corrupt mujaheddin warlords. However, conflict soon erupted, civil war broke out and the Taliban eventually captured Kabul in 1996. The ascendancy of the Taliban raised a number of issues of particular consternation to the Western world, including reliance on increased opium poppy production in Afghanistan, the imposition of harsh sharia law and its impact on women particularly, and the sheltering of Osama bin Laden and his growing al-Qaeda network of terrorists, who trained and planned global terrorist attacks from their base in the mountains along the Afghanistan-Pakistan border.

After the al-Qaeda terrorist attacks on New York and the Pentagon on 11 September 2001, the United States led a coalition into Afghanistan to disrupt the Taliban and destroy the al-Qaeda terrorist network. There were early military successes and the Taliban were soon swept from most of the country. A form of government was established and elections were held. However, the situation became increasingly unstable with the re-emergent Taliban fighting back for control of large swathes of the country. While Afghanistan has been a priority for the Western world since 2001, the gestation period for its troubles has been more than 30 years with a long history of conflict, so we must think in the long term.

Whenever nations have directly intervened in the internal affairs of Afghanistan, the challenge has been for them to maintain the level of commitment required to achieve an outcome that is sustainable and stable in the long term. It is unrealistic to expect relatively quick and easy resolutions to a situation that has been brewing for many years. While military and strategic planners of the international community would undoubtedly be well aware of the lengthy time frames, it is incumbent upon them to keep their citizens informed of the likely length and depth of the necessary commitment.

We in Australia know how the electoral cycle can put enormous strain on the nation’s commitment to sending and maintaining our troops in conflict zones for deployments that must necessarily span multiple elections. Former Leader of the Opposition Mark Latham’s infamous and populist commitment to bringing the troops home from Iraq by Christmas of 2004 and the current Prime Minister’s insistence prior to the last election
that the Howard government have a timetable for an exit strategy from Iraq are cases in point. There was little debate or consideration of whether it was in our long-term strategic interest or the interest of the country, the region or the world for troops to be withdrawn. The issue became caught up in the political contest. Similarly, in last year’s United States presidential election the presence of US troops in Iraq and Afghanistan became embroiled in the political debate.

Domestic public opinion has long proven to be a strong factor in the commitment of Western nations in particular to international conflicts. Notwithstanding President Obama’s commitment to the war in Afghanistan, according to a recent poll the United States public is rapidly losing enthusiasm for the Afghanistan conflict. In the wake of September 11, public support in the United States was high, with almost 90 per cent of people approving of the war on terror in Afghanistan. Eight years on, that support has plummeted, with 53 per cent of people surveyed saying the United States made a mistake in sending military forces to Afghanistan. This was up from 30 per cent in February this year, yet in January 2002 only six per cent of people surveyed called the war a mistake.

After the success of President Bush’s surge of troops into Iraq, President Obama has replicated the tactic of a surge in Afghanistan and has committed an additional 21,000 troops. Overall, there are more than 100,000 international soldiers in Afghanistan; about two-thirds are American. There is speculation that the new United States commander, General Stanley McChrystal, will request of the Obama administration an even greater commitment of troops after finalising a review of operations in mid-August; however, his review has been postponed to September. Reports from the United States suggest that any such request is likely to have a chilly reception in the congress. This would be based partly on public opinion and the growing number of casualties, which is approaching 800 in the United States alone, but also on the reaction from NATO allies to President Obama’s request for additional troops to support the US surge.

At a NATO summit in April, President Obama gave an impassioned speech in which he asked other NATO countries to send more troops as he outlined the United States’s strategic policy that now includes Pakistan with Afghanistan. His request was largely ignored. The United Kingdom, however, pledged to send several hundred soldiers, in addition to its current commitment of 9,000 troops, to help improve security during the election to be held this week. The additional British troops are to be withdrawn after the election. Only two other countries made any commitment. Belgium committed an additional 35 military trainers, while Spain said it would send 12. During his speech President Obama warned European leaders that any failure to show long-term commitment in Afghanistan would increase the danger of terrorist attacks on their home soil. The then Secretary General of NATO confirmed that public opinion was a key consideration behind the decision of many nations not to send additional troops. British Prime Minister Gordon Brown is currently grappling with the NATO request for additional troops, in a week when British casualties have passed the 200 mark.

This poses a serious challenge for the international community because, while the initial intervention enjoyed strong domestic support which encouraged action by leaders, public support can ebb, as can the support of national leaders. There is obvious potential for failure or for poor outcomes from such a cycle. A key challenge for national leaders who have intervened in places such as Afghanistan is convincing their public of the
need for long-term commitment to such an intervention. For the countries of the NATO-led forces to realistically achieve the goal of a stable and peaceful society in Afghanistan, the commitment needs to be greater and longer than a temporary military and civilian surge. Ensuring that the Afghan people succeed politically and economically will be essential to the battle against extremism. There needs to be a fundamental reform of the education system to ensure it no longer radicalises young men in particular. There needs to be fundamental reform of the economy so that people can improve their standard of living without resorting to activities such as opium production. These changes are exceedingly difficult to implement at any time and are much more difficult in a country where the Taliban still exert considerable overt and covert influence. It follows logically that nations with troops in Afghanistan must be prepared for the long haul—and it could be a very long haul.

There is a story doing the rounds in Washington that an American soldier wearing a gold watch captured a Taliban fighter, who pointed at the watch and said to the American, ‘You may have the watch, but we have the time.’ This Taliban combatant was, of course, referring to the fact that soldiers from intervening nations, even if equipped with state-of-the-art equipment and resources, are perceived to rarely stay the course in such countries for the many years that it takes to achieve enduring reconstruction and sustainable social stability. During my time in Afghanistan, I was told on a number of occasions that the local people expect the international soldiers to leave. They have no other expectations.

The international community must not lose sight of the ultimate goal of never again allowing Afghanistan to become a base for global terrorism. Nations must not forget about the thousands of men who passed through al-Qaeda’s training camps, many of whom then played roles in terror attacks around the world. While the situation in Afghanistan, and now Pakistan, is difficult, there are some positives. Our troops are making progress in disrupting the Taliban. A necessary element of establishing Afghanistan as a state capable of defending its people and its institutions and of policing its territory is to build an effective national security force. Through a combined international effort, the Afghan national army and the Afghan national police are being trained, equipped and mentored to establish the Afghan national security forces, capable of taking responsibility for the country’s security.

I met with members of Australia’s Operational Mentor and Liaison Team that has been providing vital mentoring and advice to a battalion of the 4th Afghan National Army Brigade. The team partners the battalion as it undertakes security operations. Australia’s Mentoring and Reconstruction Task Force is supporting local capacity building through major infrastructure projects, including security, health, education, water and other essential infrastructure. I observed the trade training school run by our Mentoring and Reconstruction Task Force in Tarin Kowt, in Oruzgan province, which is an outstanding example of Australia’s supporting local Afghan communities. The four-week courses are recognised by the Afghan government and provide opportunities for skill development and employment amongst local people, particularly among young men who are considered of fighting age. While the current Afghan government has had a number of successes in building its national security force and instituting programs in health and rural development, the Taliban’s chances of success improve if the Afghan government is weak. The new national government must ensure there are honest and effective officials at provincial and local levels and ensure the
delivery of basic services. To build and maintain a new and democratic order the presidential elections to be held this week must be secure and free and fair.

Australia’s contribution of an election support force of 120 personnel and additional resources will be necessary to assist the International Security Assistance Force and the Afghan government during the elections. The militants have been more active in recent weeks as they seek to disrupt these elections, showing contempt for the fact that significant sections of the Afghan population have embraced the democratic process with enthusiasm. The majority of the people of Afghanistan are no different to the vast majority of the people of the world: they want to live in peace and safety and to create communities where they can provide adequately for their families in terms of food, education and security. After decades of conflict and suffering these people deserve our support.

I was informed during my visit that an increasing number of Taliban militants are not Afghans, yet with the support of the international community Afghans will eventually be able to defend their nation, defend their institutions and defend their communities. However, they will require financial, logistical and military support for many years to come. Australia has made a significant commitment to Afghanistan. In terms of the human cost, we have lost 11 brave Australian soldiers and a number have been wounded. There is also the significant cost to the Australian taxpayer—in 2009-10 alone the budget is more than $1.2 billion. Given the scale and length of this likely commitment, the Rudd government must ensure that it continues to keep the coalition, the parliament and the Australian community fully informed about Australia’s commitment in Afghanistan and developments in Pakistan. As time passes, it will become increasingly important that both sides of politics continue to take the Australian people into their confidence as we continue our commitment to defeating terrorism and supporting democracy.

**Homelessness**

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (5.19 pm)—by leave—I would like to update the House on the Australian government’s progress on reducing homelessness. On the best available evidence, on census night 2006 more than 105,000 Australians had no home to go to, and more than 16,000 of those were sleeping rough. That represents 53 people for every 10,000 in the Australian community. It includes people like Alison Meppom and her three children, Rachael, Fletcher and Levon. After leaving domestic violence, Alison and her kids found themselves homeless. As Alison said: ‘It’s hard to explain to people what it feels like to have three young kids and no home, no anchor. There’s such a sense of hopelessness, no money, nowhere to go.’ Luckily, with the support of the Australian government’s A Place to Call Home program and Mission Australia’s help, Alison and her family were able to be housed permanently. Alison said that when she told the kids her daughter said, ‘Mum, I don’t care if it doesn’t have any curtains or windows, it’s going to be our home.’ Alison said, ‘It was like I’d told them we were going to Dream World. They were so happy!’ It is stories like Alison’s that have driven the Australian government’s long term plan to reduce homelessness in Australia.

**The White Paper**

In February 2008, soon after taking office, we announced that our first white paper process would be on the issue of homelessness. In May last year we released a green paper to begin discussions with the broader Australian community on how we might
tackle this challenge. In December 2008, the Prime Minister and I were proud to launch the white paper *The Road Home*. In the white paper we agreed to two long term goals. We aim to:

- halve homelessness by 2020, and
- provide shelter for those rough sleepers who want it by 2020.

These goals are ambitious but achievable.

Other countries which have sought to reduce homelessness have focused their efforts on rough sleepers and people who are chronically homeless. Australia’s commitment goes further—we are also assisting those people who are marginally housed and living in insecure accommodation. Our commitment is the most comprehensive commitment to tackling homelessness made by any nation. Our goals are backed by a bold and coherent strategy, with substantial reform to programs that assist homeless Australians and new specialist accommodation. It is backed by record additional investment in homelessness services and in new social housing homes.

I am pleased to report to the House that last Friday the Prime Minister’s Council on Homelessness held its first meeting. The council is being chaired by Tony Nicholson, the Executive Director of the Brotherhood of St Laurence, who led our work on the white paper. The other seven members of the council, like Mr Nicholson, are formidable and accomplished advocates for disadvantaged Australians. Individually and collectively, they bring an unrivalled wealth of insight and experience to the government’s homelessness reform agenda. On Friday, the council confirmed its forward plan to provide the government with independent advice on the progress, the risks and emerging issues as we implement our white paper on homelessness.

**National Partnership on Homelessness**

I am also pleased to report that I have now agreed to implementation plans with all the states and the ACT under the national partnership on homelessness. I hope to finalise arrangements with the Northern Territory shortly. Under this partnership, the Australian government will provide $550 million over five years, to be matched by the states and territories, to deliver a new range of services to meet our white paper goals. This total of $1.1 billion of new funding for homelessness services and specialist accommodation allows us to take a new approach to homelessness. This new approach focuses on preventing homelessness wherever possible, on reducing the duration and impact of homelessness, and on ending homelessness permanently—not just alleviating it temporarily.

We find homeless Australians in cities and towns across our nation, but homelessness has many faces: children escaping domestic violence with their mums in our suburbs; families who can’t pay the rent; chronically homeless older men and women; Indigenous Australians. The different faces of homelessness require different supports, and our approach has been to work with states and territories to find the approaches that work best for their populations. The implementation plans are detailed documents that will evolve over time as we learn more about the most successful ways of preventing and responding to homelessness.

For the benefit of the House, and by way of example, I would like to mention just a few of the reform initiatives contained in the implementation plans. In New South Wales, over 200 more women and children experiencing domestic and family violence will get help to stabilise their housing in the Illawarra, Western Sydney and Hunter areas through rental subsidies and access to long-
term accommodation and support. Some 600 people will get help through rental bonds and advanced rent payments from Rentstart to access the private rental market, and up to 700 people in the Richmond-Tweed and mid-North Coast areas will be helped to maintain their tenancies, avoiding eviction and the need to use crisis accommodation.

In Victoria, a new Common Ground facility—innovative accommodation and support—will be developed in the Melbourne CBD, providing 118 long-term homes for people who are homeless or on very low incomes. Intensive psychosocial support packages will be provided for 50 people with mental illnesses to help them stabilise their lives and prevent recurrence of homelessness. New housing support workers will be located at major Victorian prisons to help prisoners transition to stable housing on release. Each year a total of 500 children under 12 in Victoria will get help to stay in school and overcome the trauma of homelessness.

In Queensland, 30 new bungalows will be provided in the backyards of family or carers’ homes to house young people at risk of homelessness. The bungalows will be built in backyards in Townsville, Rockhampton, Toowoomba, Inala, Mount Isa and Hervey Bay. A new Common Ground facility will be developed in inner-city Brisbane for 150 people, 75 of whom will be people who were homeless. Up to 1,200 vulnerable families and single people will be helped each year to maintain their tenancies through early interventions and post-crisis support.

In South Australia, a new 40-unit Common Ground complex will be built in Port Augusta for Aboriginal people who are homeless. South Australia will also build three new homes for young people aged between 12 and 15. For these young people there will be a focus on reunification with their families. A new legal and financial clinic for homeless people will provide free legal advice for some 250 people each year. Also in South Australia, 48 homes will be built for frail and aged people who are homeless or at risk of homelessness.

In Western Australia more long-term stable accommodation with support will be provided in inner-city Perth for people who have been sleeping rough. Three new outreach teams supported by specialist mobile clinical units for mental health, drug and alcohol assessment, treatment and referral, will provide intensive help, including access to stable accommodation for rough sleepers in Perth and Fremantle. Eight specialist housing workers will help people leaving mental health services to find and maintain stable housing; five housing workers will give similar help for people leaving correctional facilities. Women and children experiencing domestic and family violence will get help to stay in their own homes, where it is safe for them to do so.

In Tasmania, five new facilities for homeless people will be built over the next two years. Two will be located in Hobart, two in Launceston and one in Devonport. In the ACT, accommodation and support will be available for young people aged 16 to 25 to maintain stable housing, keep up their schooling and help them find a job. Twenty houses and support will be provided over four years under A Place to Call Home for families who would otherwise be homeless. An integrated package of housing and mental health support will be provided for people with moderate to severe mental health issues.

States and territories will report annually against the agreed performance indicators in the homelessness agreement to ensure they remain on track to achieve on their agreed targets.
More Houses for People Who Are Homeless

Of course, we will not be able to reduce homelessness unless we build more houses for people who are homeless or at risk of homelessness. This must include extra affordable public and community housing as well as specialist accommodation delivered together with targeted services to support people, once housed, to stay housed. The Australian government’s new building program will include additional housing stock for people who are at risk of homelessness as well as specialist targeted accommodation for rough sleepers.

Over the next four years the Australian government will deliver an additional 80,000 social and affordable dwellings—over 30,000 of those will be in public and community housing and 50,000 affordable rentals through the National Rental Affordability Scheme. Under the Nation Building Economic Stimulus Plan approvals have already been given to build 10,370 new homes across the country. By the end of last month, building had begun on more than 1,256 of these homes, with 17 homes already completed—the last of those as I mentioned in question time today. More than 31,000 have been repaired under the repairs and maintenance program, with another 14,000 benefiting from work done to common areas.

We expected to return 2,500 homes previously unfit to live in back into public housing stock through substantial renovations. I am pleased to report to the House that the government has far exceeded this target. We will instead return about 10,600 homes to active use as public housing that have been sitting vacant or soon would have become uninhabitable.

Homelessness Research Agenda

To meet our goals and targets to reduce homelessness we will need to ensure that our policies and programs are based in evidence and are well targeted. We should be able to measure the impact of our efforts and demonstrate their effect on reducing homelessness. We should also be held accountable. That is why, two weeks ago, I announced an $11.4 million four-year homelessness research program. The new Homelessness Research Agenda will underpin the government’s white paper and make sure our work is firmly evidence based. This research agenda will fund innovative research into homelessness—to improve our understanding of the factors that can prevent homelessness; to work out how we best invest in the future needs of children to avoid the long-term economic and social costs of homelessness; to find out what works to improve employment and education outcomes for homeless people.

A Whole-of-Government Effort

The government’s response to homelessness links many areas of government endeavour. In January this year the first of four aged-care facilities was announced with a $3 million grant to Wintringham for the Eunice Seddon Aged Care Home in Dandenong in Victoria. It will house 60 frail aged homeless people. In August the Australian government provided Mission Australia with a $16 million grant to refurbish a home in Redfern in Sydney. This will provide residential aged-care beds for 72 frail aged homeless people.

Many initiatives in other areas of government will work to reduce homelessness. Through Centrelink, the Australian government will employ 90 community contact officers to provide enhanced Centrelink services to people who are at risk of homelessness. The Australian government will also fund more support and assistance for people living with severe mental illness—with the next round of the Personal Helpers and Men-
tors Program focusing on areas with high rates of homelessness.

The Australian government’s National Plan to Reduce Violence against Women will work to reduce domestic violence related homelessness. The first stage of the National Plan to Reduce Violence against Women is complete with $42 million for a new national telephone and online crisis service and for primary prevention activities, including respectful relationship programs. Through the Council of Australian Governments we will work with the states and territories to develop the final National Plan to Reduce Violence against Women for release in 2010.

The Australian government has also doubled emergency relief funding to around $70 million in 2009-10 and 2010-11. This will provide significant assistance to charities to meet the needs of disadvantaged Australians—many of whom are at risk of homelessness. The Australian government has also agreed with banks to negotiate postponing mortgage payments for up to 12 months for borrowers who have lost their jobs.

The new Job Services Australia framework together with the government’s Innovation Fund and projects announced under the Australian government’s Jobs Fund will deliver better employment outcomes for people who are at risk of homelessness.

These significant initiatives will contribute to the broader effort to reduce homelessness and greatly assist us to meet our goals and targets.

**Conclusion**

The Rudd government’s housing programs represent an unprecedented injection of commitment and funds to tackling homelessness. What I have described to the House today is the down payment on a 12-year reform agenda. The government understand that we will not end homelessness overnight, but we believe that with sustained effort and an ethic of service we can reduce the number of Australians who ever experience homelessness, and better serve those who do, helping them move permanently out of homelessness. I commend this statement to the House.

I ask leave of the House to move a motion to enable the member for Cook to speak for 14 minutes.

Leave granted.

**Ms PLIBERSEK**—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Morrison speaking in reply to the ministerial statement for a period not exceeding 14 minutes.

Question agreed to.

**Mr MORRISON** (Cook) (5.34 pm)—The coalition welcomes the government’s statement on homelessness as delivered by the minister this afternoon. I also place on record my commendation to the minister for her very sincere and dedicated personal commitment on this issue. As I move around those who work in this area I think there is one thing we can very much agree on, which is the minister’s very personal commitment to this issue.

The coalition has taken a very proactive and consistent bipartisan approach on the vast majority of measures that have been discussed today and that have been introduced by the government. We have supported some $3½ billion of initiatives that have been announced by the government in the area of homelessness and in the area of affordable housing and we continue to do so.

Homelessness is a significant challenge. There is no single cause. It is not simply a bricks and mortar issue. The various impacts of family breakdown, substance abuse, domestic violence and sexual abuse all take a very heavy toll. I am very pleased to know that, as was the case with the coalition government, these social issues are being ad-
dressed through the many programs that are out there and available.

Our task is to help each of these Australians gain some stability in their lives and give them the opportunity to get their lives back on track. That is the ultimate goal. This requires, I believe, case-by-case, individual-by-individual measures that will enable them to take the next step then the one after and the one after that. That is why in government the coalition focused its additional efforts on early intervention programs such as Reconnect, mentoring programs and other initiatives which the government have taken up and expanded on. We are also particularly pleased that they have had some impact. While there are around 105,000 people who are designated as homeless, in the period 2001-06 we did see the level of homelessness among 18- to 24-year-olds decline by 16 per cent. But I know the minister and I agree that one special and very disturbing concern is the increase in family homelessness that has occurred, particularly evidenced by the incidence of homelessness among young children.

Of course, we now have additional pressures placed on people and homelessness services by the economic downturn. In an earlier discussion I had with the homelessness bodies, I simply said that we do not want, as we move through this economic crisis, more clients for them to have to look after. We should do everything we can to keep people in the homes they have now, because those services are there presently to look after people who are already in that situation and who have been in that situation through periods of prosperity and downturn alike, and who will always need those services. I do not want to see one cent not there for those individuals whom I suspect, sadly, we will always have to assist.

We were quick to support the homelessness package on the occasion it was announced prior to Christmas. In particular the Place to Call Home initiative is very good, as is the National Partnership Agreement on Homelessness. The reason we were supportive of those, particularly the latter one, was that they do have a very heavy focus on early intervention initiatives and we appreciate that. But at this point I suppose I have to depart from where our agreement rests because obviously we were disappointed—as I am sure the minister was as well—that, despite the fact that that agreement was supposed to have all the plans agreed by 31 March, they were not. That was still the case by July, with New South Wales in particular outstanding in accounting for one-quarter of homeless people in Australia. That is a problem.

I sympathise because the failure of states and territories to come to the table on this issue, to agree, to have plans and to put up the money is the problem the government has in making headway on this issue. It is the incompetence of state and territory administrations, particularly in the area of their public housing and other programs. Probably the best evidence of this, as we have seen writ large across our country but particularly in one part of the country, is the shameful failure to deliver on the central commitment of the Northern Territory intervention—the Strategic Indigenous Housing and Infrastructure Program—let alone the commitments made in addition to that initiative.

There was a commitment to build 750 houses for Indigenous Australians. It has collapsed into an abyss, with not a single house built under that program. In September 2007, we should remind ourselves—almost two years ago—the then coalition government signed a memorandum of understanding with the Northern Territory government to deliver these houses and that program. On 12 April last year the new Minister for Fami-
lies, Housing, Community Services and Indigenous Affairs affirmed the Rudd government would contribute $547 million over four years in partnership with $100 million from the Northern Territory government. Since then, virtually every deadline has been missed. In April 2008 the minister said work would begin on the 750 houses by October 2008. Then it was planned for early 2009. In February there were still no new houses in sight, and then silence fell around this program. It was not until work was pledged to start on the Tiwi Islands in May that we heard something. In June this year we heard one construction company say that they will have to build fewer houses ultimately with the available funds due to increased costs.

It was not as if there were not any warnings about this program. In April 2008 there was a warning given by none other than the parliamentary secretary assisting the minister, Senator Ursula Stephens. She delivered a warning to the minister and said that there were problems that needed to be fixed. What kind of problems were they? The problems were that the scheme was flawed, shoddy and open to potential corruption. The unfolding chaos in the program shows that these warnings were ignored. Yet recently the senator told the media that she believed her concerns had been completely addressed by the minister. If this is true, when it comes to closing the gap on Indigenous housing the Rudd government have demonstrated their willingness to simply settle for less. That is unacceptable. It has taken one of Labor’s own, the Northern Territory minister responsible for this program, Alison Anderson, to stand against this settle-for-less attitude. Former Minister Anderson describes the program as:

… the biggest scandal I have seen in my political career.

SIHIP was designed as the great answer to the remote housing crisis that is crippling my people. It was the heart and core of the commonwealth’s “emergency response”, after the Little Children are Sacred report was made public. It was the one big chance to change the way things are on communities. We politicians said that we would build the houses that were needed: 750 houses.

Late last year I began to receive briefings about the program. I knew things were going wrong. I raised my concerns with my colleagues. I struggled to get action. I appealed to them. I could see the disaster in the making. I could see the money being swallowed up: on consultation, on training costs, on administration. At meeting after meeting I warned my ministerial colleagues. I did everything I could to resolve this matter inside the party.

I was unsuccessful. There was no urgency. They didn’t care. I came to understand then that they were quite content to just continue administering Aboriginal communities, taking the money from Canberra. It was just business as usual for them.

… … …

… my Labor colleagues were quite prepared to sweep this disaster under the carpet.

… … …

The record of waste and chaos is a shame on the government. Here the ministers sit, cool and comfortable, while Aboriginal people live crowded, 20 to a house. It is a disgrace.

Those comments were directed at the Northern Territory government, but it was Commonwealth money. You have to ask the question: where was the Commonwealth when this money was being used in such a shameful way?

Labor’s failure to deliver this program at all levels has trashed the trust of progressive Indigenous leaders in the Northern Territory intervention. Not content with undermining the intervention with their hollow commitments and their moves to restore the permit system and go soft on the availability of pornography, they have now shattered the
confidence of those Indigenous leaders who have provided much needed support for this unique opportunity to make progress and to create a different future. I think it is summed up well by Arnhem Land leader Galarrwuy Yunupingu, who was a supporter of the intervention but no longer is. He has withdrawn his support and condemned the Rudd government’s inability to deliver on Aboriginal housing. He has in fact called for an intervention of his own into the incompetence of the housing bureaucracy that has delivered this shameful event.

Social housing, as the minister has also spoken on, was an issue that was chosen for inclusion in the government’s broader economic stimulus initiatives. Once again, the government relied on the states and territories to make sure the delivery of this occurred. As the minister referred to, the government set aside under the partnership agreement some $160,000 per dwelling for repairs and maintenance. The reason that figure was so high is it was supposed to be for substantial repairs and maintenance. To quote the agreement, it was to:

… support the refurbishment of existing social housing dwellings that are not currently suitable for occupation so that they can add to the social housing stock in each jurisdiction.

Yet, before the ink was dry on this agreement, this became in effect a slush fund to redress the failure of states to undertake basic maintenance on their housing stock, with funds being dedicated to minor repairs with an average cost of just $7,500 as opposed to $160,000 for 38,000 homes, and the average cost for the major renovations, as understood, was around $10,600. This is, I have to say, one of the oldest cons in the book from state and territory governments: to cost-shift their failure to do their job back onto the federal government. In this case, they found a very willing partner, and as a result the mismanagement of state and territory housing agencies has been subsidised by the federal taxpayer not just with funds but with borrowed funds.

Then there is the program to build 20,000 new dwellings. Let us recall that it was state governments that managed to spend $4 billion in real terms between 2003 and 2008 on public housing construction. You would think that after spending $4 billion over five years you would have moved forward, but at the end of that period of time there were 10,146 fewer dwellings than when they had started. I do not consider that a great job application to spend another $6 billion of federal taxpayers’ borrowed money. These projects are already falling behind timetable, and the government has refused to agree to provide timely reports on the progress of the scheme, preferring, frankly, to do media opportunities rather than subject the program and delivery of this scheme to parliamentary scrutiny.

More broadly, social housing has been abused as a policy instrument by involvement in the stimulus program. Poor planning and zero consultation when overriding local planning laws betray an attitude of ‘get it done’ rather than ‘get it right’—and in the Northern Territory neither is done. This attitude means that as this program continues we will sow the seeds of social dislocation for decades to come. This is also evident in the government’s NRAS program, which has the temerity to approve projects that fail to comply with local planning laws, such as the Coombabah projects on Queensland’s Gold Coast, where local residents want to know why the federal government has ignored what they want for their community, as expressed and supported in their local planning codes. So much for the views of local residents! Under Labor, we are seeing with the delivery of this program that competitive federalism has indeed become the lowest
common denominator of collusive federalism.

I conclude by talking about where the biggest job really is, and that is where 95 per cent of Australians live: the private housing market. The best way for people to keep their home is to keep their job, and we need policies that keep people in their jobs. The Reserve Bank governor last week confirmed that bottlenecks rather than bubbles were responsible for the key housing affordability challenge that we face in this country, and as a result we need to build more private sector homes. Our estimation and those provided by economists around the country are that we need to build in excess of 160,000 every year for the next 10 years. Building just 20,000 in 12 or 18 months is really not going to be the answer to the problem. We need to ensure that the private sector housing market is able to perform at a much higher level in order to address the shortfall, or frankly prices and rents are going to continue to go up. Throwing money around at the states is not going to be the answer. So we need real reform on this issue. I commend the government for their more specific programs on the issues of homelessness—they are worthy initiatives that are supported by the coalition—but I must call them to account on addressing the issues of their failings, particularly in Indigenous housing in the Northern Territory, and addressing the real issues in the private housing market.

MATTERS OF PUBLIC IMPORTANCE

Taxation

The DEPUTY SPEAKER (Dr MJ Washer)—Mr Speaker has received a letter from the honourable member for North Sydney proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s need for higher taxes to pay for unnecessary debt and deficits.

I call upon those members who approve of the proposed discussion to rise in their places.

Mr HOCKEY (North Sydney) (5.48 pm)—I thank my colleagues for their support and recognise the fact that they have come in at this late hour to listen to my address in relation to what should be a predictable topic, and that is Labor and rising taxes, rising debt and bigger deficits. When the minister at the table was still watching Romper Room a few years ago, I well recall the current Minister for Finance and Deregulation regaling the House about the need for inheritance taxes and capital gains taxes on the family home and the fact that there were distortions in the tax system that needed to be addressed. It is quite interesting that in question time yesterday and today, when the minister for finance was asked those questions, he seemed to forget his history. Of course, in those days he was Martha and today he is Arthur. He forgot the fact that he railed against the tax system that he saw giving preference to wealthy people. There is the same tax treatment of the family home today as there was in those days, and the minister for finance has now, if you believe his own words in this place, turned over a new leaf.

It is interesting to note, as we start to turn our attention to the reform of the taxation system, that it is undertaken by the people who so opposed taxation reform in the 1998 election and in 2000. As the member for Higgins knows all too well, the Labor Party fought root and branch against tax reform. Their biggest tax reform was to introduce a new tax on what they called ‘Toorak tractors’. I wonder if the people at the dispatch box were the architects of that brilliant policy in 1998. That was the extent of the Labor
Party’s tax reform: a new tax on four-wheel drives. They railed against our root-and-branch redefining of the taxation system—a redefining that actually focused on building productivity, growing the Australian economy and setting down the foundations for the future.

Let me remind the House that they were very difficult reforms. They were hard reforms. Introducing a GST was something no government had previously been able to do, especially at an election. Everyone warned us about going to an election promising to introduce a goods and services tax. In fact, the Liberal and National parties had spectacularly failed in 1993 in that regard. But we had courage about making hard decisions on tax reform. As compensation for the introduction of a much-needed goods and services tax, we abolished bank account debit tax, bed tax, wholesale sales tax, financial institutions duty and the stamp duty on the transfer of shares. We gave Australia significant income tax cuts, and we delivered a significant increase in the pension. We did all of that in the face of strident, uncompromising opposition from the Labor Party. Regarding our reform of the taxation system, on 1 July 2000 the current Prime Minister claimed it was a day of—

Opposition members—Fundamental injustice.

Mr HOCKEY—fundamental injustice because Australia got a goods and services tax. This is the same Prime Minister that has commissioned a new review of taxation and has specifically excluded changes to the GST. He was so opposed to the GST on 1 July 2000 that now he not only wants to keep it but wants to quarantine it from what he describes as a ‘root and branch reform of the taxation system’. What hypocrisy! What a surprise!

We have a Treasurer whose best qualifications for this job were that he was the secretary of the Labor Party in Queensland. Those are the best qualifications he has to be the Treasurer of Australia during a challenging time, but it is not such a challenging time that it prohibits him from unprecedented levels of expenditure outside of war, coupled with unprecedented levels of debt not seen since World War II. It is not so challenging as to prevent the Treasurer from spending yet more money. It is not that challenging for a Treasurer who inherits four per cent unemployment, $40 billion of net assets in the bank with zero government debt, a sustainable budget surplus during periods of reasonable growth and the best terms of trade in modern times. It is not so challenging for this Treasurer, a Treasurer that does not have the courage to come in here and debate. Instead, he sends someone who was still a schoolboy in 2000, when the last tax reform occurred.

The challenge now is for the government to show some courage on reform. Even Ross Gittins, someone who is not particularly enamoured with me—it will come as a surprise that my friend the sandshoe-wearing journalist from the Sydney Morning Herald is not particularly a friend of the coalition—is waiting with bated breath for the day that Kevin Rudd will make a hard decision. He knows, as we know, that sooner or later the rubber has to hit the road. You cannot continue to borrow money and spend. You cannot continue to borrow money and spend. You cannot continue down the path of simply spending money which future generations will have to pay for.

The Henry review was commissioned in an environment where there were unprecedented levels of revenue because the economy was performing extremely well. The Labor Party, with the courage of someone running away from a gunfight, commissioned a review of taxation. Now that they have been hit with falling revenues, we start
to see just a little glimpse of the true colour of Labor on the front page of a national newspaper. On Saturday, when I looked at the *Australian*, I thought this is true Labor: capital gains tax on the family home.

We know the Labor Party have form. Do you remember when Bob Carr in New South Wales introduced land tax on the family home? Do you remember when Bob Carr had that bright spark of an idea to introduce a vendors tax which would completely collapse the property market in New South Wales to a point from which it has not recovered? In Western Australia the Labor Party tried to introduce a property tax on premium property but could not get it through the parliament, and it certainly got an appropriate public reaction. I asked myself: are these guys for real? Are the Labor Party going to do it? They were the guys that came up with the idea of fringe benefits tax. It was the Labor Party that invented capital gains tax. It is the Labor Party that have focused over the last few months on tax reform alone.

The irony of the situation is that Labor say, ‘We’re going to leave all these things to major tax reform.’ In the last few months alone, the Labor Party have introduced a new tax on alcopops, increased the luxury car tax, increased visa application fees, reduced the rebate on private health insurance for high-income earners, removed the taxation exemptions for income earned by Australians overseas, removed concessions for employee share schemes, tightened access to non-commercial business losses, changed the depreciation schedules on computer software, changed the fringe benefits tax and reduced concession contribution caps for superannuation. And they say they are leaving tax reform to the Henry review. They are so opposed to ad hoc tax changes that they are doing all of that and leaving it all to Henry.

When it gets hard blame someone else. That is the modus operandi of the Labor Party: blame someone else. I thought to myself: here we are, Saturday morning, front page of the *Australian*—capital gains tax on the family home in a report commissioned by the Labor Party. This will be interesting. Then we get a statement from the Treasurer, who says:

There has been no request from the Government … to model such proposals, we are advised that no such modelling is being carried out, and therefore no recommendations of this sort will be made to us …

The Government is not considering and will not consider the policy outlined in that article today.

I thought to myself: could this be Labor tricking again? Could they be just focusing on the $2 million proposal in the *Australian*? So we came into this place and asked them sensible, straightforward questions: ‘Treasurer, have you ever spoken about or have you commissioned any review of tax on the family home?’ The answer was, ‘I don’t know.’ He flailed around and said, ‘It’s all with Henry and you guys have done this and you guys have done that.’ Then we said, ‘Hang on, you’ve got the Bennett review, which recommends an increase in the Medicare levy.’ He said, ‘You know I can’t comment on the minister for health’s proposal and really you guys ought to get back on track.’ That was his distracted answer when he did not want to tell the truth.

The Treasurer and the Prime Minister want to give the impression that they are opposed to capital gains tax on the family home, yet they are saying on the other hand that they are going to have a root-and-branch review of the tax system. But—by the way—they have introduced numerous new taxes since they commissioned that review and—by the way—they are excluding the GST which the Prime Minister and the Treasurer so railed against when they were in opposi-
tion and—by the way—the Labor Party is going to have to make some hard decisions. I will tell you what the hard decisions are, and these are our best estimates because it is incredibly hard to dig these figures out. Since the 2008-09 budget, the Labor Party has committed new, additional spending of $106 billion over the forward estimates. Of that stimulus package, $42 billion is to be spent after 1 July 2010. We have had the Treasurer running around the country for the last 12 months saying, ‘We need fiscal and monetary policy to work together in partnership.’ They are together, two arms on the same body. Now we have the Reserve Bank saying that they are going to increase interest rates, clearly stating, as the markets are indicating, 150 to 200 basis points by the end of next year, and we have the Treasurer saying, ‘We’re not moving on our expenditure program, we’re not moving on our stimulus spending, which stretches out to 2013.’ What a fraud! What the Treasurer has done is to accept full responsibility for two things. Firstly, every interest rate rise between now and when we get back to trend growth is right around the neck of Wayne Swan, and it is around his neck because he is so committed for political reasons to additional spending that he will not pull back. Secondly, the Labor Party have a problem with their numbers. I nearly choked on my Weeties this morning—

Opposition members interjecting—

Mr HOCKEY—please don’t fret, but I nearly did—when I heard the Treasurer say on *AM* that we used to be a big spending government. Let me tell you: this is coming from the biggest spending Treasurer since we rolled tanks across the Western Desert in World War Two. Here we go: this Treasurer inherited 24 per cent of GDP in expenditure and he has taken it up to 28.6 per cent. Even over the forward estimates to 2013, he is at 26.4 per cent, a full 2½ per cent higher than what he calls our ‘drunken expenditure’. So here we have a Treasurer giving drunken sailors a bad name. He is going to new levels of expenditure and the problem is he cannot fund it. That is why the Labor Party does not want to talk about tax. The Labor Party is not a tax-reforming party; it is a high tax party. Look at what Labor does, not just at what it says. It is the party of higher taxes. It is the party of unnecessarily high interest rates. It is the party that closes down the enterprise that keeps Australia going.

Mr BOWEN (Prospect—Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services) (6.03 pm)—This MPI says a lot about the approach of Australia’s opposition. The title of this MPI is:

The Government’s need for higher taxes to pay for unnecessary debt and deficits.

Debt and deficit are unnecessary if you do not care about the human impact of the global financial crisis. Debt and deficit are unnecessary if you do not care about unemployment in this country. Debt and deficit are unnecessary if you do not care about seeing Australia through this crisis and cushioning the blow. This MPI says a lot about the approach of the opposition. We hear a lot from the opposition about deficit. It is their latest fear campaign of choice. Fear campaigns are what they are best at. Let us have a look at the human deficit of not going into a fiscal deficit in this current environment. Let us have a look at the 200,000 more Australians who would be unemployed in this country if the opposition had their way. Let us have a look at the social impacts of that. The shadow minister at the table before this MPI came on stood at the dispatch box and said that the best way you can ensure that Australians stay in their homes is to ensure they keep their jobs—and I agree with him. But his policy and the policy of his col-
leagues would be to increase unemployment in this country. This is a human deficit that this government is determined to avoid, even if those opposite are more than happy to see it happen.

The global recession has wiped $210 billion off government revenue. It is fair to say the opposition accepts that as a fact. I have not heard them question the $210 billion figure. Australia is in deficit for two reasons. The first reason is that, even without a stimulus or government action, the automatic stabilisers would kick in and Australia would be in deficit as government expenditure increased automatically to deal with the slowdown in the economy. So, unless you think a deficit is unnecessary, unless you think a debt is unnecessary to deal with that, you would let that happen. If you thought that debt and deficit were unnecessary, then you would increase taxes or cut spending to see Australia remain in surplus. If the opposition did not think a deficit was necessary in this country, then they would increase taxes or cut spending. That would be their policy. The second reason that we are in deficit is that the government acted. The government instituted a stimulus package. The government said that we needed to stimulate the economy to deal with the slowdown in private sector investment. The stimulus packages, together with the action by the Reserve Bank, have seen retail trade in this country at 5.2 per cent higher than it was in November.

The actions by the government and by the Reserve Bank have seen 118,500 people receive the first home owners bonus—a policy, I think, supported by the shadow minister for housing and local government, who is at the table. We have seen 21.7 per cent of new housing finance commitments in June being from first home owners—double the figure of 12 months earlier. We have seen confidence levels in Australia return to their pre-crisis levels, something that comparable countries have not been able to achieve. With the sensible and admirable decision by employers and employees in this country to show flexibility, we have unemployment in this country at 5.8 per cent. It is too high, it is higher than we would like, but it is certainly better than the United States, at 9.4 per cent; Europe, at 9.4 per cent; the UK, at 7.8 per cent; and Canada, at 8.6 per cent.

If you think economic growth is not important then you might think deficit and debt in this country are unnecessary. If you think it is not important that Australia be the fastest-growing economy in the developed world then you might think debt and deficit in this country are unimportant. The average advanced economy in the world contracted by two per cent in the March quarter. The United States slowed down by 1½ per cent, the United Kingdom by 1.9 per cent, Canada by 1.4 per cent and Germany and Japan by 3.8 per cent. Australia was one of only two countries in the world to grow in the March quarter. If you do not think that is important then you might think deficits are unimportant.

**Mr Laming**—Thank the commodities.

**Mr Bowen**—We hear ‘thank the commodities’ from a member of the Liberal Party. That has got to go in the Hansard! The former Treasurer, the member for Higgins, raked in gold bars as the commodity boom raced around the country—his biggest problem was that he had to spend his way out of a boom—and the genius from Bowman says, ‘Thank the commodities’! We do not have a commodity boom in this country anymore. What we do have is a global financial crisis, which this government is dealing with. If you do not think it is important to respond on behalf of the Australian people and cushion the blow then you would say, ‘The stimulus packages are not necessary, the deficit level is unnecessary and the debt level is unnecessary’.

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**CHAMBER**
sary.’ That is clearly the approach of those honourable members opposite. They are saying it is not necessary. The member for Bowman, in his usual genius way, has just confirmed that. He said this is not necessary. That is because the opposition do not care about the human impact of the global financial crisis.

If you do not care what every credible economic commentator in the country thinks, if you do not care what every credible economic think tank in the world thinks, then you would say debt and deficit are not necessary. If you do not care what the IMF think, if you do not care that the IMF have said of Australia that ‘the shift into deficit was justified in current circumstances’—

Mr McMullan—They were too left wing for them!

Mr BOWEN—Those well-known socialists down at the IMF, those lefties down at the International Monetary Fund, the fellow travellers of the Labor Party, have been at it again. The IMF said they welcomed the quick implementation of targeted fiscal stimulus. They said:

The stimulus provides a sizeable boost to domestic demand in 2009 and 2010 that will cushion the impact of the global recession.

The IMF also noted and welcomed the fact that Australia is one of very few countries that have a plan to get back to surplus. If you do not care what the IMF said then you would think the government stimulus is unnecessary. But, in their heart of hearts, those opposite know that the stimulus is necessary. They know that the stimulus has worked and they hate it. We have gone sitting day after sitting day with no questions from that side of the House on the state of the economy because they hate good news. That is why we have not had an MPI on the state of the economy for a very long time.

First we had the smear campaign defaming the name of the Prime Minister and the Treasurer of this country—which the opposition like to forget—and now we have the fear campaign on debt and tax. The shadow Treasurer, the member for North Sydney, thought it would be amusing to attack the name of Ross Gittins, the economics editor of the Sydney Morning Herald. Sometimes Mr Gittins supports this side of the House and sometimes he supports that side of the House. The member for North Sydney said: ‘I know what I’ll do. I’ll criticise him for wearing sandshoes and I’ll say he’s not a credible economic commentator.’ I wonder why he said that. Perhaps it is because the economics editor of the Sydney Morning Herald has belled the cat on the opposition’s strategy. Perhaps it is because, in a couple of very telling articles, he has explained more eloquently than I could the hypocrisy, the lack of substance and the political opportunism of the members for Wentworth and North Sydney. This is what Mr Gittins said about the member for Wentworth’s approach:

He is exaggerating the size of the debt, misrepresenting the cause of the debt, exaggerating the difficulty we’ll have repaying it, misrepresenting its effect on our prospects and pretending we’ll end up with little to show for it.

… … … … …

Turnbull gives the impression the debt will be solely the product of Rudd’s decisions to spend money but, in truth, about half of it would have occurred in any event, being the consequence of the fall-off in tax collections and increase in dole payments caused by the recession.

… … … … …

This is alarmist nonsense which seeks to exploit the public …

That is the view of that well-known journal of socialism the Sydney Morning Herald. So what we have is the belling of the cat on this scare campaign by the opposition. The scare campaign has been brought to new heights in
question time today and yesterday and in the MPI today. They have moved on. They have decided a scare campaign on debt and deficit is not enough, that exaggerating the level of debt is not enough. They are saying we have a mountain of unsustainable debt. In fact, in 2013-14, when the average debt level around the world will be over 80 per cent of GDP, our debt level will be under 14 per cent of GDP. But that is not enough for the opposition. Now they want to move on to a scare campaign about tax. Now they are going to move on to what they do best. They are going to run a scare campaign, from opposition, about tax.

The member for North Sydney had the temerity, the hide, the gall, the front, to come into the chamber, stand at the dispatch box and lecture us on tax reform when for two days he has been orchestrating a scare campaign about tax reform, about the Henry review of taxation. The member for North Sydney has more front than Anthony Horlick’s, as we say in Sydney. We cannot have a proper and sensible debate about the future of the tax system in Australia because he is more interested in making cheap political points.

The opposition can play their silly little political games. The opposition can follow the advice of the member for Higgins and capitalise on the opportunity for cheap political opportunism caused by the global financial crisis. The opposition can do that and the Australian people will cast their judgment, as they have been doing. The opposition can build their straw men and they can play their games of political opportunism. We on the other hand will engage in leadership to get us through this crisis. We on the other hand will be looking to minimise the human impact of the greatest recession the world has seen in 75 years.

Mr Morrison—What about Australia?

Mr BOWEN—‘What about Australia?’ says the member for Cook.

Mr Morrison interjecting—

Mr BOWEN—He says it is not the greatest recession Australia has faced, and he is quite right—because the government has acted. The opposition say it is not that bad. ‘You didn’t need the stimulus package,’ they say. ‘It’s not that bad.’ That is their strategy. But, because the government has acted, the Reserve Bank has acted and Australia’s employers and employees have acted flexibly, Australia is getting through this crisis—and don’t the opposition hate every minute of it! This was their ticket back to the easy life. This was their ticket back to the big white cars. This was their ticket back to government. The born-to-rule party said, ‘We know what; we’ll ride this recession back into government,’ and they hate the fact that the Australian Labor government has responded decisively in this crisis. They hate every minute of it. But we will continue to respond and we will continue to show that leadership, because we do care about the human impact.

The Secretary to the Treasury yesterday made a speech. It was a good speech. It received quite a bit of coverage. But there was one bit of his speech which has not received much coverage. He said this:

Economic slow downs—especially recessions—are costly: capital lies idle; unemployment increases; there is a loss of skills in the workforce; and living standards fall. Economic recessions can also have significant negative impacts on self-esteem and health, and increase the risk of poverty. The costs of recessions are exacerbated if the economy remains below potential for a significant period of time.

He is dead right. Recessions do have a very real human impact. The people of Australia look to the Australian government to cushion that impact, to keep unemployment as low as it humanly can be. When unemployment rises around the world, the people of Austra-
lia look to the government to keep Australia’s unemployment rate as low as it humanly and possibly can be. We will continue to do that. The opposition has yet again engaged in a scare campaign. The opposition has yet again engaged in cheap political opportunism. The Australian people know that the real impact of recession is on Australia’s people. The human deficit is very important to them. They have passed judgment on the opposition’s scare campaign on the fiscal deficit, and they will continue to pass judgment on its complete lack of regard, lack of care and callous approach to the human deficit of unemployment that it appears to be willing to allow to continue and to worsen.

Mr LAMING (Bowman) (6.18 pm)—What we have seen today is basically a government taking all the credit they can for every tiny bit of good news they can eke out of the economy. But let us just take them through a history lesson. Eight to 10 months ago the great leaders of the world came together at the G20 and were looking for solutions to the crisis that faced them. What Mr Rudd took to those meetings was an economy in fantastic shape, an economy with a wonderful banking and financial sector and an economy gifted with the commodities that could see it through a crisis. Most importantly of all, Australia could look to those commodities and look to the balance sheet to stimulate its economy if it needed to.

We do not need to reinvent the economic history here, but we are looking for a government that realistically places credit where credit is due. Today we have a government that is quite adept at spending—it has done it exceptionally well, as has been pointed out already by the speaker before me. What this government has not yet shown is any strategy, any map, to take us out of the abyss of debt. We have a government that has taken easy decisions. We have a government that has failed to show how it can raise any revenue at all. I think the speaker before me on this side of the chamber referred to the range of tiny taxes attacking the vulnerable and the small groups in society, but there is no willingness to allow the buck to stop where it really counts on tax reform—and that reform remains months and months away. So Australians at home and around the dinner table, Australian families who balance the books in their own family every week of the year, are right to be concerned, and it is because of that concern that this MPI has been proposed.

Let us look at Australia in the context of it being an economy that had a reformed and regulated financial and banking sector the envy of the world. When a new Australian Prime Minister went to the G20, we can understand that he was caught up very much in the excitement. He was after the pic facs, standing next to Mr Obama, his idol. Of course, he was hearing, rightly, the concerns of countries that did not have our enviable financial sector—our regulations around banking, our net interest margins, the protections that our banks can offer and our cost-to-service ratios, which only one other country can boast, and that is Canada.

As we watched those countries that were and were not in banking crisis, we saw one cohort heading south and another cohort performing well. Let us go through the countries. Norway, Canada, Australia, Finland, a range of countries that did not have a banking crisis, were able to actually generate activity through the last eight to 10 months. Do not take my word for it; let us look at all the OECD economies and see how they performed. The great challenge for the government is that they are looking for comparable economies, and there are none. There is no comparable economy to Australia. We need to look at all of them and identify exactly what determined our rather charmed path over the last 12 months.
The answer is this: we had a great and well-regulated financial sector. That is the first thing. Let us look at all those countries that were well regulated. They have travelled very well. Let us look at their unemployment. They started with the same unemployment rate 12 months ago—5.3 per cent, or 5.5 per cent for those that went into banking crisis. What have we seen in the last quarter? We have seen unemployment rising three times faster in economies that are in banking crisis—3.3 per cent in the first quarter versus 1.1 per cent for those that were not in banking crisis. Australia is in a fundamentally better position because of that.

Second, we have an economy based on commodities: food, resources, natural gas—all of the vital antecedents that are required for growing economies like India and China. Australia was able to provide those things right through this year. What we saw was a slight weakening of the terms of trade. But if you just take the economies—and I have made my first point about the banking crisis—that were not in crisis and you look at those that had commodities to call upon over the last 12 months and those that could not, economies like Canada, Norway and Australia contracted by about 0.8 per cent. Those that did not have the commodities contracted by 4.3 per cent.

We are a gifted nation, it has been said before. Many have criticised Australia for not being adequately diversified, but let us remember that over the last 12 months it was those terms of trade that pulled us through and out the other side. Just look at those figures, the exports that dominated our GDP figures. It is a very difficult case to mount that splurging $21 billion in cash payments did anything more than pay off pensioners who desperately needed those payments, and the rest of it, the great majority of it, was saved. Let us have a look at those payments in March and April. It is right to point to the five per cent increase in retail sales. It is right to point to a two per cent increase corrected over the last 12 months. But between $23 billion and $25 billion is an extraordinary price to pay to prop up retail sales. Jobs were certainly created, but many of them would have been created anyway through the commodity boom and the confidence that flooded through Australia with a stable residential housing sector. We never lost a beat.

Let us look at some comparators. In this country we stimulated roughly the same as America when you allow for the fiscal expansion due to some of their pre-announcements of tax cuts. Australia stimulated like America. Did we ever have the concerns America had? Did we have the financial meltdown that America had? Did we have the housing overbuild that America had? So why did we stimulate?

Let us go and look at the lessons from the OECD, who were encouraging economies to stimulate at between two and three per cent of GDP. If everyone put their shoulder to the wheel and did their part, we were confident that we could minimise the damage, the human toll that was referred to by the minister earlier. Did Australia do that? No, they did not. Our Prime Minister was effectively a young child who rolled over one day, tickled the cat on the tummy and saw that there was a fully paid off credit card when it jumped up. He could not wait to spend it. This is a government that never, ever paid into the credit card in the first place, so we can understand they are not terribly attached to the notion of how to pay debt back. As has been explained by a former leader, it is easy to go down on the escalator into debt but it is very hard to go up because the only way out is up the stairwell. We are yet to see the government’s strategy. There are only steps out of debt and none of those steps are easy for the Australian people, for Australian families or for you in government. You have to map out
some kind of strategy between now and the next budget.

So what are those three wonderful attributes that Australia was able to boast long before we even encountered this crisis? We had a robust banking system, a commodity based economy and a relatively small high- to medium-tech manufacturing sector, less than four per cent. That was the sector that truly crashed in the global meltdown. Reference those Asian tiger economies that crashed at near double-figure GDP falls, that registered those kinds of GDP falls. Lastly, we had the fully paid off government debt. Let us be frank about it: if we look at all nations that were in debt, we know that for every eight per cent of government debt there was a one per cent fall in GDP in this crash. Very handy to have no debt whatever, but something that was not terribly treasured or respected by the other side of the House. There is a simple reason for that. I cannot remember whether the group over there ever had any role to play whatsoever in paying off the debt that they left behind in 1996.

Mr Morrison—they opposed it.

Mr LAMING—it was tough, it was slow and they opposed every responsible economic decision along the way. It was not easy for a government between 1996 and 2007 to get the nation’s economy to where it was.

I am not saying that I would ever expect our Prime Minister to stand up and give credit to someone other than himself. That may be asking a little too much. But in last night’s speech to the AiG what we saw was a frank airbrushing out of what happened in 2007, the hard work that had been done, the great nick that Australia was left in as an economy. The OECD admits that. What we are debating today is that providence of the next decade. Make no mistake: what we have spent, what we have disbursed, is the providence of the next decade, of the next three election terms, so this side of the chamber simply says, ‘Let’s do it as efficiently and effectively as possible,’ and that is the case that is being made today. That has not been done. Confidence is a big thing and of course when you have a large amount of fiscal stimulus in an economy money has to land somewhere. We are not denying that. What I think people around the kitchen table at home listening to this debate will be asking is: was it really the best possible spending we could have hoped for? Was there waste that could have been avoided? Do we really need to spend away the next decade of providence? They are good questions. What Australians have seen instead is profligacy.

You are quite right—there will be a whole lot of new buildings opened around the country. Who am I or anyone on this side of the chamber to say that our schools do not desperately need new infrastructure? But in the same case why would I not support giving money to non-profits? Of course I would. It is all good stuff. But in the end this government has to learn at what point you live within your means. It is a principle that is understood by small businesses around the country, and Australia is the nation of small business. It is a principle understood by families around the country. Our concern in this MPI is that it is not a principle understood by the other side of the House.

What we know is that an enormous amount of latitude has been extended to the government over the last 12 months. There were some tough decisions to be taken; we acknowledge that. There were known unknowns 12 months ago, but there also are certain things that we well realised. We knew Australia’s financial position, we knew about its strong and robust financial sector and, of course, we knew that when times got tough we had rapidly growing enormous econo-
mies to our north that were always going to need our commodities. They were the three factors that this government is attempting to airbrush away. Let us be honest: if we are going to get through this and find a solution, what we need to first of all do is make sure that every cent spent from now is spent as efficiently as possible. We have not seen that to this point.

Mr BRADBURY (Lindsay) (6.28 pm)—I rise to oppose the matter of public importance that has been brought forward by the shadow Treasurer. I wish to make a number of observations but I will begin by echoing some of the statements the Minister for Financial Services, Superannuation and Corporate Law made. It seems to me that, at a time when we are as a nation facing one of the most significant global downturns in economic history, we see a diversion in the form of this debate about taxation being brought forward by those opposite. Earlier this year the Leader of the Opposition came forward and said that there is only one thing that mattered, and that was jobs, jobs, jobs. Unfortunately since that time he has not spoken a lot about jobs. The only jobs he has been prepared to speak about are the Prime Minister’s job, the Treasurer’s job and indeed his own job. But the reality is that, had the government not taken the decisive action that we have taken in relation to the stimulus measures, there would be 210,000 Australians out of work—210,000 Australians and their families suffering all of the consequences that flow from unemployment. That is the human cost of failing to act.

I see the reference in the MPI topic to the unnecessary levels of debt and deficit. I wish to draw the House’s attention to the comments of the Reserve Bank governor just last Friday, where the governor said:

I do not think you can really say that net debt of 15 per cent of GDP itself is a serious problem. He went on to say:

…15 per cent of GDP is the low number by virtually any other standard.

It is worth noting that those on the other side would have you believe that there were not any issues internationally so far as the economy was concerned and that Australia is doing okay. It is not the worst recession we have faced in this country. If you look at the figures, we have managed to pull through to this point reasonably well. We are not out of the woods, but the stimulus measures have worked. But those on the other side are not prepared to give credit where credit is due when it comes to those measures. In fact, they seem to wish to argue that the circumstances that we currently face are not the most serious that we have faced in 75 years. All the objective facts indicate that, notwithstanding the fact that the economy is more integrated than it has ever been before and you would expect economies such as ours to have been impacted more in a global downturn than at any other time in history, we have been doing reasonably well. That is as a direct result of the stimulus measures that the government has put in place.

I want to run through some of the comparative figures in respect of other parts of the world. Those on the opposite side have almost moved on from the global recession. They are now talking about tax reform some time down the track. They do not wish to talk about the recovery that this government is intent on delivering—the recovery that will nation build for our future. It is important that we stay focused on that recovery because we are not out of the woods. I heard President Obama say in the United States the other day that, at this point in the US, unemployment is now rising at half the level that it was when he came to office. That was offered up as a vindication of the administration’s policies. We see in other nations, other advanced economies in the world, employ-
ment massively declining. In Australia, we have been able to hold on and maintain that at a reasonably steady rate. We acknowledge that things are going to get worse and that there are many Australians who are not working as many hours now as they previously were. But these are the sorts of impacts that naturally flow from a global recession. That is why we have taken those impacts and the potential impacts very seriously. In order to support jobs, we have tried to intervene and to support private demand where the private sector has withdrawn. Now we are about rebuilding and nation building for the recovery.

I note the references to unnecessary debt. In Australia net debt will peak at 13.8 per cent of GDP in 2013-14. Let us compare that to the figures that are expected in other major advanced economies. We expect net debt to reach 83 per cent of GDP in the USA and the UK in 2014. In the euro area, we expect net debt to reach 75 per cent; in Japan, 136.3 per cent; in Canada, 26.8 per cent—80.7 per cent of GDP for the 25 largest advanced economies.

What we are facing in this country is not unique. We are facing the impact of a global downturn. The fact that we are doing that better than the rest of the world does not carve us out or make us some sort of island in the middle of a global recession. We are being impacted by that recession, but the difference between our nation and others is that we have taken decisive action in order to try and cushion the impact and the blow of that global downturn.

If we look at the various measures of success in terms of the effectiveness of government policy in this regard, both the Reserve Bank governor and indeed the Secretary of the Treasury have endorsed the government’s approach to stimulus. It is interesting that those on the other side are not that interested in talking about stimulus any more. As time goes by and the effectiveness of the stimulus measures becomes clearer and clearer, they are less willing to talk about stimulus. They want to start to talk about tax. What a red herring. In the context of what we are facing, they want to talk about a review that is still ongoing and will be dealt with in the fullness of time. But they are looking for a red herring and, as far as red herrings go, this is the fish that even John West would have rejected.

Regarding stimulus measures, let us look at retail trade—up by 5.2 per cent since November last year. Unemployment has been maintained at a relatively steady level of 5.8 per cent but, as Treasury estimates indicate, the action of government has intervened to support 210,000 jobs—210,000 families that would otherwise be affected by the scourge of unemployment. We have seen the impact of the first home owners boost on building approvals—the June data shows that public building approvals were at their highest levels since January 2001. Private building approvals increased for six consecutive months. Finance commitments from the construction and purchase of new dwellings have increased by 59 per cent since October last year.

We are seeing a resurgence of confidence. The NAB monthly business survey showed that business confidence is at its highest level since August 2007. The Westpac-Melbourne Institute survey of consumer sentiment showed the consumer confidence index had its biggest three-month gain since 1975. We are the only major advanced economy that has managed to avoid a recession to this point. It was not a matter of luck but a matter of good management and the intervention of government at the right time—acting early and decisively to step in and invest where the private sector was no longer capable of investing to support the economy, to stimulate
activity and to preserve jobs through a difficult time. The early indicators are showing positive success. They are showing that these measures have achieved what they intended to achieve. There is no question that we have a deficit and that we are currently in a position of debt but, when we compare our situation to other economies throughout the world, the relative lack of success of their stimulus packages and the response of their economies to those measures, we can see that the Australian economy is doing better than any other economy in the world.

Those on the other side will not acknowledge that because to acknowledge that would be to acknowledge failure on their part. Let us not forget that each and every one of them voted against the stimulus measures. They want to have it both ways. Today we saw the shadow Treasurer starting to distance himself from the stimulus debacle—the debacle of them voting against the stimulus. He wants a bit of distance between him and the Leader of the Opposition. The stimulus debacle, the failure to vote for the stimulus, is going to be the millstone that hangs around Malcolm’s neck. The shadow Treasurer is determined to make that the case.

He now wants to talk about the next debate—about taxation—because he knows how badly the coalition failed when it came to the last debate. But the Australian people will not forget. When they looked to government to step in, to intervene and to support jobs, the coalition were missing in action. They will be thankful, and I know that they are very grateful for the efforts of the government—for stepping in and fighting hard to try and protect jobs, to stimulate our economy and now to nation-build for our recovery. This is critical and these efforts will be vindicated over time.

Mr SIMPKINS (Cowan) (6.38 pm)—It is patently obvious that the borrowing and shovelling of money out the door have created a substantial debt that the government is fast realising will have to be dealt with at some time in the future. The debt, of course, is accompanied by interest payments. Together, they should see the government’s reckless borrowing, huge debt and expensive waste become a hangover for future generations.

I want to spend some time looking at the issue of unnecessary debt, although in five minutes it is hard to cover all the points of waste. I will start with BER, or the copyrighted term ‘Building the Education Revolution’. This is a very expensive program designed to provide a vertical surface for the Deputy Prime Minister to place a plaque on. My question is firstly about the name, as there is nothing new about buildings. As usual with the Labor Party propaganda, just because you say it often enough does not make it true. What we do know, however, is that the program has wasted a great deal of the taxpayers’ money, or the borrowed money, whichever way you would like to think about it. What we do know is that there are schools around the country that already have libraries but that have been told they can have one more. There are schools that have undercover areas that have been told they can have another one. And that is all before the Auditor-General has looked at this program, who, as we know, will reveal the significant problems that revolve around the program.

Before I finish on the BER, I would like to reflect on the attitudes of people that I have spoken to about the program. People ask me why when we had a surplus we could not afford this sort of spending and why, now that this country has been dragged deep into debt, somehow we can. I have lost count of those conversations. But what I say to these teachers and parents is that you should apply and get your fair share of the money, because
in the end you will still have your fair share of the debt.

The BER is somewhat similar to the National Broadband Network, an expensive fiasco of a policy that has only served to provide one outcome: the demonstration that the minister is incompetent and would struggle to buy a beer at a bar. The NBN has been floated with a massive price tag of $43 billion but no business case, and I fear that if the NBN ever does surface it will be an albatross around the Treasury’s and the taxpayers’ necks, as well as being too expensive to attract subscribers.

I said before that the people of WA will get more than their fair share, because this is particularly true in our home state of Western Australia. Already the GST share has been wound back, and the royalties of offshore oil and gas productions are flowing strongly to Canberra. That is in spite of the pre-election statements by Kevin Rudd that WA would get a fair share under him. The reality now is that in this sea of debt, emphasised in mismanaged programs and wasteful spending, the Labor Party will need the royalties coming from the sea off Western Australia. The Prime Minister’s lengthy and exceedingly strident speech in question time yesterday foreshadowed that he sees that his debt and his interest payments will be offset via the hard work of companies and the people of Western Australia. In fact it was abundantly obvious that, in the same way that he falsely claimed the credit for the Gorgon and Pluto projects, he will claim the royalties to service his debt. Far from giving WA its fair share of the royalties generated from WA, he will take even more of it to Canberra.

As an aside, I also note that, thanks to his legislative support of the militant union the CFMEU, there have been some 140 right of entry claims on the Pluto site alone since July. So much for all our hopes of remaining a reliable supplier now that Kevin Reynolds and his boys are back in town! I add to this clear evidence of this government’s blatant disregard for economic productivity the effects of their flawed and dumb ETS, which will undermine the efforts of business to be competitive and to work on a level playing field across the world.

As I have laid out in my contribution, there has been wasteful spending, there has been duplication and there has been inappropriate spending not supported by business cases or any demonstration of economic productivity. There have been changes to laws and legislation proposed that will undermine the economic effectiveness of Australian businesses. Yet it is those very businesses that this Labor government will depend on for its future. The logic is simply bizarre.

I have covered the royalties issue, but before I conclude I will make mention of the review of taxation. A number of serious and disturbing revelations have been made about tax increases. Fortunately, some come from unreliable sources like the Minister for Health and Ageing. Others come to us through the media. What is clear is that astronomical amounts of money have been spent on programs that have not provided the best sorts of returns in terms of economic benefits for the country. The money has been borrowed, put on the taxpayers’ credit card and then shovelled out the door. But the fact remains: one day someone will pay, and it will be our children and our grandchildren.

Mr PERRETT (Moreton) (6.42 pm)—I rise to refute the assertion in the MPI put forward by the Hon. Joe Hockey, the member for North Sydney. But I should apologise to the chamber upfront. There was a little bit of confusion about who was going to speak, and after the member for Cowan’s performance on the doors we thought he would be over this side performing for us in this part
of the MPI, so I was called in at the last minute.

The member for North Sydney put on an incredible performance to kick off the MPI, a performance like a bad actor in a badly scripted soap opera, where he does not really believe the lines, he does not really care about the lines but he has to mouth the words so that he keeps getting paid. You could see it in the member for North Sydney’s delivery.

Obviously he does change like any actor—even a bad actor—when the camera is on him. He will change completely. I noticed the other day that he even took a camera with him up Kilimanjaro. It is a shame I did not see him before he went, when we had a bit of a break. I would have loved to have given him one of my books by Ernest Hemingway, called *The Snows of Kilimanjaro*. It is a pretty famous short story. It is not my favourite Hemingway short story but it begins with the paragraph:

Kilimanjaro is a snow-covered mountain 19,710 feet high, and is said to be the highest mountain in Africa. Its western summit is called the Masai ‘Ngaje Ngai’, the House of God. Close to the western summit there is a dried and frozen carcass of a leopard. No one has explained what the leopard was seeking at that altitude.

That is the pretty famous opening paragraph from that short story. It is not my favourite Hemingway short story but it begins with the paragraph:

In his presentation the member for North Sydney obviously forgot to mention some fundamental facts, such as the fact that the global financial crisis has stripped $210 billion from the tax revenues of Australia. He did not mention that. He papered over it. Like a bad actor in a bad soap opera he just papered over that fact and kept talking about the good old days when he was a minister. Anyone who claims to be a shadow minister, and who takes the pay to be a shadow Treasurer, should know from economics 101 that when times are tough you need to borrow to finance any temporary deficits. You cannot strip $210 billion out of the system and expect to keep paying the gas bills. What else would you do? You would have to either slash government spending significantly—or we have heard nothing from those opposite, apart from the bit of show that we had from the member for Cowan talking about the Building the Education Revolution here; obviously when they are back home in their electorates this is front and centre in their newsletter—or increase taxes.

That is obviously what their proposal is, and we could have had a real debate about that. There was no mention of that. Economics 101 would state that any other proposal is simply voodoo economics. The Minister for Financial Services, Superannuation and Corporate Law detailed the financially significant consequences of not approving Labor’s Nation Building for Recovery plan—but for this, some 210,000 people out of work. With mum, dad and the kids, that would have meant misery for about a million people if we had not followed the policy that the Rudd government took—which was to pull the levers that we had to prop up the economy. Imagine the number of people that would be out of work if those opposite had found 10 more fools to vote against Labor’s Nation Building for Recovery plan!

The second opposition speaker was the member for Bowman, and it is a shame he is not here now. He only has two speeches, which he always delivers with aplomb. Tonight was the economic speech. Obviously he forgot to go to the planning session for the MPI or did not attend the planning session so he just gave his usual economic speech, which was a little bit encyclopaedia and a
little bit economics 101 textbook. He did not actually address the MPI at all. He obviously needs to get a little bit more organised, but, like many of those opposite, he could not organise a rock fight in a gravel pit.

Then we heard from the member for Cowan. I have already attacked him in my opening statements. He wandered all over the place. He did not address the fundamental economic considerations that Australia recognises—that we have come through the worst economic times since the Great Depression. Obviously those opposite need to take note. There is a dried and frozen carcass lying on the benches opposite me, and we need Joe to drag that carcass back to Kilimanjaro. *(Time expired)*

**The Deputy Speaker (Mr S Sidobottom)—** Order! The time allotted for this discussion has expired.

**Statute Stocktake (Regulatory and Other Laws) Bill 2009**

**Personal Property Securities Bill 2009**

**Resale Royalty Right for Visual Artists Bill 2008**

Referred to Main Committee

**Mr Price (Chifley) (6.48 pm)—**by leave—I move:

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

Question agreed to.

**Higher Education Support Amendment (2009 Budget Measures) Bill 2009**

**Second Reading**

Debate resumed.

**Ms Rishworth (Kingston) (6.49 pm)—** I am very pleased to speak on the Higher Education Support Amendment (2009 Budget Measures) Bill 2009. Since coming to government in late 2007, this government has shown that it is squarely committed to improving education outcomes in this country. Indeed the budget that was delivered earlier on this year has once again delivered for and focused on delivering education opportunities and outcomes from early childhood right through to adult education. The budget was really dedicated to lifelong learning for all Australians. This is true for a number of different areas, including our tertiary education system.

Last year the government took the very bold step of actually commissioning Denise Bradley, a very widely regarded tertiary educator, to conduct the Bradley review of higher education. That review made it clear that urgent investment was needed and reform was also needed to make sure that our university system was world-class. This government’s policy and this bill represent our response to the challenge issued by this review—the challenge of ensuring that there is quality in our tertiary education sector and that this quality is maintained to support the continued economic and social progress of the nation.

The Higher Education Support Amendment (2009 Budget Measures) Bill 2009 amends the Higher Education Support Act 2003 to implement the Australian government’s reforms to higher education and the whole system. The bill also amends the act to give effect to measures to address key findings and recommendations of the review of the national innovation system and the recent House of Representatives inquiry into research, training and workforce issues. As a member of that committee that heard significant evidence on things that could be improved, I am very pleased that the government has taken up these issues and acted—compared to 12 years of neglect by the previous government, who seemed to think that education reform was about ripping money
out of universities and ripping money off students.

This bill represents the launch of the government’s reform agenda in tertiary education, and I must commend the Deputy Prime Minister for driving this agenda and this vision. The reforms proposed by this bill transform Australia’s higher education sector, providing unprecedented opportunities and quality in university education, unmatched in Australia’s history. These reforms are part of an integrated policy approach to higher education, and the government’s policy involves structural change to our university system, improves the financial sustainability of our universities and guarantees quality education and research outcomes.

Most importantly, under this bill the government will provide funding for growth in universities and will do so by opening the doors of universities to students from all walks of life. It is these people, our future workforce, who are finally, thanks to the government and this bill, at the centre of the higher education funding system. I know from my own electorate, where not as many students end up going to university as perhaps do in other parts of Adelaide, that this has been widely welcomed by parents and schools hoping that their students will get an opportunity and find tertiary education attractive.

This bill is part of a broader investment in higher education. We know that in the last budget we saw significant investment and in the budget this year there was another significant investment. This broader investment has been welcomed by many South Australians. They have welcomed the $200 million for the Health and Medical Research Institute which was announced in the May budget. This institute will provide world-class facilities and make a significant contribution to our national and international research in the medical area. The investment has been welcomed by all three universities in Adelaide. As the Vice-Chancellor of Flinders University, Professor Michael Barber, said:

The Institute will encourage collaborations between the various parties, draw on the skills and strengths in our respective institutions, and produce positive results from an enhanced research effort.

New and innovative research will help solve the medical mysteries that compromise the health and lifestyle of our people and communities.

I sincerely wish everyone involved in the institute the best for their important work.

Similarly, Flinders University was deserving and received two grants from the Australian Research Council’s Linkage Projects scheme for an investigation into Australian crop species and for research into climate change. This climate change research will focus on the patterns of gene flow at a landscape scale in declining and common birds in Australia and abroad. The project builds on a strong international link to the Galapagos Islands as well as having a regional focus for South Australia. The outcome will also inform climate modelling for the state and Australia and will prove incredibly useful for governments in proposing measures to adapt to climate change. I would like to congratulate Flinders University on being very successful in receiving these grants. It is another example of the government really investing in our higher education system.

It is research like this that will be an integral part of our universities. In recognition of this, the bill amends the act to provide appropriate funding for continuing Commonwealth scholarships and other research grants. Specifically, the Australian government will commit $512 million over four years for a new Sustainable Research Excellence in Universities initiative to address the gap in funding for the indirect costs of re-
search. This is in addition to the joint research engagement measures which will create a funding stream that prioritises and provides incentives for collaboration between universities, industry and other end users to produce the highest quality and most useful research outcomes.

These outcomes are driven by the people in our tertiary education system, and that is why this bill focuses on giving as many talented people as possible the opportunity to study, research and develop new ideas. To this end, from 2012 all public universities will be funded on the basis of student demand. This means uncapping the amount of places in particular courses and allowing the interest of students to determine how much funding our universities should receive.

To ensure that universities have time to prepare for the new demand driven system, the current funding floor for universities will be maintained for the years 2010 and 2011. The current cap on over-enrolment will be raised from five to 10 per cent in funding terms for 2010-11. These are important first steps to realising a higher education system that is well resourced enough and accessible enough to achieve this government’s ambition of increasing the proportion of 25- to 34-year-old Australians with a bachelor level qualification to 40 per cent by 2025.

I would just like to make a comment about one initiative that already exists in my local area, and that is Christies Beach High School and its relationship with Flinders University. The university has available space and computers for students from the local area to use who might be studying at university. It also enables those students to interact with university students who are perhaps not unlike themselves and to make that connection between the school and the university just down the road.

Another part of this initiative is why the government is allocating $108 million over four years for a new partnerships program, to link universities with low-SES schools and vocational education and training providers. As I mentioned, Flinders University of South Australia has already been actively engaged in looking at these programs and certainly this extra funding will have a significant impact on some of the schools in my electorate. This funding will expose students to the opportunities on offer at universities, whether it be the University of South Australia, Ade-
laide University or Flinders University. It will allow them to have hands-on activities provided by the program and therefore that connection will most likely lead them to enrol in university. Getting into university, however, will not happen due to inspiration alone, so the government has allocated $325 million over four years to provide universities with a financial incentive to expand their enrolment of low-SES students and to fund the intensive support needed to improve their completion and retention rates.

The existing Higher Education Equity Support Program will be replaced and incorporated into these new funding arrangements. In addition to this bill, the government is also introducing major reforms to student income support to assist access and retention of low-SES students. I think this is an incredibly important initiative, because for too long under the coalition government people who perhaps wanted to go to university but were disadvantaged due to where they lived or the income of their parents could not access, or were not encouraged to access, higher education. These important initiatives will allow many more students to be able to access higher education and perhaps fulfil a dream. For a lot of them, it will be the first time that anyone in their family has gone to university. It is an initiative that will be welcomed by many people in my electorate.

This bill is comprehensive in its approach to initiating Labor’s reform of the higher education sector in this country. The bill ends a decade of underfunding. It ends the decline in investment in education and it ends the political interference with research. It begins a series of reforms that will see more students at better funded universities, undertaking better resourced and more independent research for the benefit of Australian society as a whole. I can see that the Minister for Sport is in the chamber and I know that she has a very good relationship with Professor Ian Chubb, the President of the International Alliance of Research Universities. He said: Of course, Grumblers will say there should have been more, but let’s be realistic here. An investment of more than $5 billion in higher education and research is to be celebrated. Let’s get on with the job of using the investment wisely.

This bill does mark a huge investment in our higher education sector and I am sure that these investments will be made wisely. I am also sure that this bill marks the beginning of increased support, attention and focus on making Australia’s universities truly world class, and I commend the bill to the House.

Dr JENSEN (Tangney) (7.04 pm)—The Higher Education Support Amendment (2009 Budget Measures) Bill 2009 is very important, given the significant role universities play in the Australian economy and the community. However, any sentence which contains the words ‘Labor’ and ‘budget’ in close proximity should send shivers of fear down the spines of every thinking and tax-paying Australian. The debt burden imposed by this government has reached horrendous proportions, which is why this government is trying every trick in the book to raise extra revenue except, of course, the most obvious ones. In fact, I am beginning to think that the Prime Minister is aping his Minister for the Environment, Heritage and the Arts and starting a rock band. It looks like being an echo of a famous British band the Animals, the difference being the name of the lead singer. Instead of Eric Burdon, we are seeing ‘Tax Burden and the Animals’ and their first smash hit ‘The House of the Rising Sum’—that ‘sum’ being the massive debt which the next generation of Australians will owe—or perhaps he and the Deputy Prime Minister are Australia’s Ike and Tina Turner, with the outpouring of cash being ‘river deep’ and the scale of debt ‘mountain high’.
All Australians by now are aware of the appalling levels of debt being incurred by the Prime Minister to buy the next election—debt which we will all have to pay back, with younger Australians having to shoulder the lion’s share of that burden. Despite this, the Prime Minister is continuing with the good old Labor first option: when there is a problem throw taxpayers’ money at it. This is definitely the case with this bill. Yet again, the root cause of the problem is Labor’s tired old ideology, which is a nightmarish flight back to the 1970s and Gough Whitlam—the ideology of class war, bloated bureaucracy and making people fit the system, not tailoring the system to fit the people. The most egregious ideological financial blunder this government has committed in tertiary education is a direct attack upon Australians and their freedom of choice by banning full fee-paying students. On one hand, the government is saying that the sector needs more money and, on the other, Labor is deliberately not only denying this sector a significant source of finance but trying to play the ‘bash to rich’ card by denying full fee-paying students a chance to attain higher education.

I reminded the House of this class war mentality two years ago when debating the excellent legislation introduced by the Deputy Leader of the Opposition when she was education minister. What a contrast to the current incumbent. I said of Labor’s contempt for full fee-paying students:

This is yet another attempt to dress up tired, old class warfare and the politics of envy—ideological wolves—with the sheep’s clothing of concern for students.

In fact, this expressed disdain, bordering on hatred, of the so-called rich people, has never been better exposed than in the words of a close friend of the member for Kingsford Smith—who would fall into the despised category of ‘rich’ himself. Rob Hirst, former drummer and songwriter for Midnight Oil, described the permitting of full fee-paying students in the Bulletin of 26 January 2007 as:

We’re getting thicker. Our unis are filling up with dumb, rich kids whose daddies have paid to queue-jump them over the heads of their brighter, poorer peers.

Nothing has changed, has it?

The government claims that universities are in need of money, yet Labor is happy to deny universities this source of funding because of some stupid inbred hatred of people who want to stand on their own two feet and take responsibility for their own education—people who are prepared to accept the financial cost of doing this without help from the taxpayer. How intolerable! How incomprehensible to Labor this self-sufficient, independent kind of thinking is. More importantly, how dangerous! Imagine if we had our universities flooded with people who showed such subversive tendencies of independence and self-reliance. Who knows? These fiscal dissidents might even infect other students with their revolutionary ideologies, and then what would happen? More people might start thinking they could actually manage something on their own, by themselves, without using the crutch of the taxpayer. Who knows? They might even turn into—shock, horror—liberal thinking people. We can’t have that, can we? So the Labor government would deliberately starve our universities of funding just to keep out seditious types who have the gall to think they can get something by paying for it themselves.

The government also cannot seem to see the difference between people paying for the cost of their own university education and buying a degree. Despite having paid full fees, these students would still have to pass exams, so there is no suggestion of unfairness or privilege, except the privilege of
choice. And of course these students are not necessarily rich. They and/or their families may have to go without a lot to pay for this education, which would tend to make them better students because they prize and value the education more because of the sacrifices they have to make. Not for them the lifestyle of a dilettante who wanders through a smorgasbord of courses being a perpetual student with absolutely no intention of paying their massive HECS fees back. Many of these full fee-paying students have one, two or even three part-time jobs, as do many HECS students, and yet they are denied a chance to better themselves by this callous, ideologically hidebound government.

Here is the irony. Full fee-paying students are only permitted if they are from overseas. How can the government discriminate so disgracefully against its own people? What other national government shows such contempt for its own citizens in comparison with overseas citizens visiting here to study? Only Labor. Instead of alleviating the financial situation of universities by permitting these students, the government is forcing the students already here to add to the HECS debt many are incurring by imposing the disingenuously entitled student services and amenities fees. Fortunately that has, I think, gone down in the Senate today. Again, there is no freedom of choice—as is espoused by coalition governments—but there is a blatant extortion of money from students, most of whom neither want nor need these services. In many cases those students are already paying for those services via the normal taxation system, as in the case of subsidised child care.

Returning to the big picture of funding, despite the financial chest thumping of this inept government on how much money they are putting into universities, it is a bit like a socialite heiress making a big deal about a donation to charity—it is easily done when you have not had to work for it. Even the $11 billion funding of higher education is a typical sleight of hand by Labor. We are all aware of the $22 billion surplus left by the Howard/Costello administration, which was blown by Labor to the tune of the odd hundred billion or three in the blink of an eye. However, in addition to that surplus there was funding specifically set aside for higher education. Under the coalition government it was called the Higher Education Endowment Fund. Labor is trying to make it appear as though their $11 billion fund—called the Education Investment Fund—is somehow new, or its own achievement.

So let us have a look at this $11 billion of funding and see exactly where it has come from. The first $6 billion—more than half—is a direct steal from the Higher Education Endowment Fund established under the coalition government by the then Treasurer eighteen months ago. This was the same coalition government under which a record 186,000 Australians were offered a university place. So more than half of Labor’s higher education funding was actually coalition higher education funding. No surprise there.

Furthermore, as my colleague the shadow minister for education, the member for Sturt, has observed, the Labor government has not only used our higher education funding and promoted it as theirs but topped up our $6 billion Higher Education Endowment Fund funding with $2.5 billion from the last Howard-Costello surplus, naturally changing the name again to hide its fiscal origins. Finally, as also pointed out by the member for Sturt, the final $2.5 billion is only going to happen if there is sufficient budget surplus next year, which, given the looming massive deficit, is about as likely as the sun rising in the west. Therefore this ‘new’ $11 billion fund is actually just an $8.5 billion fund entirely paid for by the excellent economic management of
the coalition government. This rebadged, renamed reiterating of the coalition funding has been launched under the banner of the Bradley review into education.

This report has been welcomed by the opposition, and was an extremely thorough review. Dr Bradley and her team considered 353 written submissions and held discussions with hundreds of representatives of student bodies, businesses, academic institutions and governments. This is a most significant review, but as the opposition has pointed out, it is also the 25th such review since Labor was elected, which is more than one a month.

Since receiving the Bradley report, the government has done what Labor does best—hold a review into a review! Labor held a series of roundtable discussions into this most extensive review, which in itself held wide-ranging and inclusive community consultation, as I have mentioned. So we had a roundtable into a review of a conference into the discussions of the inquiry into a paper on the summit into the examination of proposals regarding higher education. The only really concrete decision that is apparent so far from all this consultation is a decision to scrap Commonwealth Scholarships, with the replacement appearing sometime in the future.

One result of all this consultation which the opposition would really like to see is the philosophy re-emerging of providing educational services with the focus on the students. Unfortunately, the Labor mindset is to favour the organisation over the individual. The ideal is for universities to be responsive to both students and business.

The introduction of vouchers, or student learning entitlement, is a great idea, which came from the Bradley review. Instead of the federal government funding courses directly, students would receive vouchers which they would be able to use at any university prepared to admit them. This would change in a major way how universities and their funding are organised, by giving more power to consumers—in this case, students. The students’ fees would, however, remain capped and universities would not be able to set their own.

Australia’s universities play a vital role in our community, firstly by providing a first-class education for our students. This high level is reinforced by the number of overseas students who wish to avail themselves of this education. The universities also provide valuable research and development resources for the benefit of our whole society.

Secondly, our universities build on our proud heritage of critical and creative thought. As my colleague Senator Brett Mason has said, universities are an important part of our ever-changing world, and therefore must be flexible enough to respond to these changes. The last thing universities and students need is for these institutions to be so bound up in red tape that any meaningful response to these changing circumstances is almost impossible to make.

The Bradley review has provided a very thorough examination of our higher education system. It is now up to the government to make sensible changes which will improve our tertiary education system. I live more in hope than expectation.

Ms CAMPBELL (Bass) (7.19 pm)—If nothing else, I think the member for Tangney’s contribution showed a certain degree of compassion, even if the content leaves a lot to be desired. Over the course of the last decade under the previous government, Australia’s higher education sector suffered tremendously. There was an overall decline in public expenditure, particularly in comparison with other OECD countries and as a percentage of GDP. Righting this imbalance is one of the many reasons why I am adding
my voice in support today of the Rudd government’s Higher Education Support Amendment (2009 Budget Measures) Bill 2009. It fulfils in part Labor’s longstanding commitment made whilst in opposition to substantially increase public funding to the higher education sector. It is a commitment I supported then and am proud to support now.

The bill amends the Higher Education Support Act 2003 and moves to implement the government’s 2009-10 budget measures. Included among the legislation’s key features, the Commonwealth Grants Scheme is to be amended to see introduced a demand-driven system of Commonwealth supported places from 2012. From 2012 all public universities will be funded on the basis of student demand. These are the first steps to a higher education system with students at its centre. It supports achievement of our higher education attainment ambition to increase the proportion of 25- to 34-year-old Australians with bachelor level qualifications to 40 per cent by 2025. This legislation also increases the cap on overenrolment of Commonwealth supported places from five per cent to 10 per cent in funding terms for 2010-11.

The bill amends the act to introduce increased indexation for higher education. The increased indexation of all amounts under the act will commence in 2012. It provides for a new performance funding grant element under the Commonwealth Grants Scheme to reflect the conditional indexation payment in 2011 and new performance-funding arrangements from 2012. The government’s legislation amends the act to specify the maximum annual student contribution amount for a place in a particular funding cluster or part of a funding cluster. Education and nursing units of study will be increased to the maximum annual student contribution amount for the band 1 rate for new students from 2010. The bill amends the act to remove the 20 per cent loan fee on OS-HELP loans from 2010. This will practically assist to support universities in encouraging students to travel abroad on student programs as part of their studies, and I am hopeful that it will receive wide support, as it should. The bill amends the act to add a new item to the other grants provisions for the structural adjustment fund. The new fund will encourage institutions to consider their strategic direction and focus their activities and missions to achieve long-term sustainability. It will lay the groundwork for the provision of more sustainable higher education, particularly in regional and outer metropolitan areas.

One of the key components not only of this legislation but of the government’s wider approach to higher education is a measure to support increased participation of students from low socioeconomic backgrounds. The government’s review of Australian higher education was undertaken last year by Professor Bradley. This legislation is the result of that review. Among its well-researched observations was that this country is at a critical juncture in the history of higher education. Professor Bradley’s final report commented on and recognised that there is an international consensus that the reach, quality and performance of a country’s higher education system is one of the key determinants of social and economic progress. That was a theme adopted by the Deputy Prime Minister as she introduced this bill to the House.

Through this legislation, the government is fulfilling its commitment to ensure that by 2020 some 20 per cent of higher education enrolments at an undergraduate level are filled by people from a low socioeconomic background. The government has allocated $108 million over four years for a partnerships program which will link universities with low socioeconomic schools and vocational education and training providers with the aim of creating leading practice and
competitive pressures to lift the aspirations of students from low socioeconomic backgrounds to higher education. This is recognition and acknowledgement of international experience, which has shown that interventions in the early years of high school are effective and indeed vital if we are to lift the aspirations of students to go on to further study at university. We have also allocated $325 million over four years as a financial incentive for universities to expand their enrolments of students from low socioeconomic backgrounds and to fund the intensive support needed to improve completion and retention rates.

We face tremendous challenges both as a government and as a country. The Bradley review highlighted the fact that Australia is falling behind other countries in performance and investment in higher education. We are falling behind, and I find that absolutely unacceptable. It has the potential to limit our social and economic progress. Professor Bradley noted that if we are to maintain our high standard of living, our robust democracy and a civil and just society then we need also to maintain an outstanding and internationally competitive higher education system. They are inextricably linked. It is something which this government recognises, but instead of capitalising on the strength of the economy during their time in office those opposite presided over a decline in overall performance and investment in higher education. Ten years ago Australia was seventh out of 30 within the OECD in the proportion of our population aged between 25 and 34 with degree-level qualifications. Twenty-nine per cent of our 25- to 34-year-olds have degree-level qualifications, while other OECD countries have set targets as high as 50 per cent. Faced with this uphill challenge, as a government we are aiming for 40 per cent by 2025.

There are many fundamental differences between this government and those opposite. Chief among them is an unwavering commitment to education of all levels, underpinned by the belief that education is at the core of our society. It is essential to our society and to economic prosperity. It is why we committed to computers in schools; it is why we have embarked on an investment program the likes of which this country has never known. Our Building the Education Revolution will see students provided with the learning environments necessary to promote lifelong learning.

In my electorate of Bass I have been fortunate enough to see the real effects of this government’s investments in schools. I have been to schools like Winnaleah District High School, where the multipurpose hall being built will serve not only the school and its students but the entire community. I have seen firsthand the degree of degradation suffered under the previous government to facilities such as the science laboratories at Flinders Island District High School and I have been fortunate enough to be able to work closely with the school to see much needed upgrades funded through the Building the Education Revolution program. From the $50,000 awarded to Branxholm Primary School for refurbishment of a classroom and an upgrade of student toilets under the National School Pride Program to the $2 million gymnasium for South George Town Primary School in the Primary Schools for the 21st Century program, big and small these funding projects speak of a commitment to education which is simply not shared by those opposite.

The Rudd government is investing $200 million in Better TAFE Facilities to support the jobs of today and the jobs of tomorrow. Communities like mine in Northern Tasmania will benefit from this investment through improved teaching facilities and a skilled
workforce, and from the economic activity generated by such infrastructure projects. The Better TAFE Facilities initiative is part of the Rudd government’s $500 million Teaching and Learning Capital Fund for vocational education and training. Under Better TAFE Facilities, all TAFE institutes across Australia are eligible to receive a grant of between $2 million and $8 million to undertake maintenance needs, small capital works and equipment and plant purchase. The Rudd government announced the Teaching and Learning Capital Fund for vocational education and training last December as part of a $4.7 billion nation-building infrastructure package to support Australia’s economy.

We are committed to education of all levels and we recognise the importance of higher education to the future of our country. This bill recognises that performance funding will focus universities firmly on the need to meet our shared objectives for the higher education sector. What greater incentive to develop effective performance-lifting strategies than to have the outcomes of those plans linked to funding? Unlike the previous Learning and Teaching Performance Fund, universities will be able to negotiate individual targets and will have an exact idea of where they are at in relation to meeting those targets. Universities will be working towards targets they themselves have negotiated. This is an initiative which will assist in meeting the government’s 20 per cent target of students from low socioeconomic backgrounds by 2020.

There is a clear government agenda being put in place to ensure that, from primary school through to university, our students have the ability to access education and facilities which will secure Australia’s economic prosperity. Australia will need more highly-skilled, well-qualified people as the 21st century progresses. Professor Bradley observes that by 2010—that is, next year—Access Economics predicts that the supply of qualified undergraduates will not keep up with demand. In part it is why the government is committed to ensuring that those people who are underrepresented in our universities, those from low socioeconomic backgrounds, are offered every opportunity to participate. We are also acting to ensure that those from rural and remote areas are offered the opportunity to contribute through higher education.

Twenty years ago, Australia was one of the first countries to restructure to enable wider participation. As a government there is a philosophical underpinning to our policy. At the heart of Australia’s strategy for research and innovation are our universities. Analysis of our existing performance points to the need—an urgent need—for increased investment coupled with structural reform; otherwise we will simply not be where we need to be by 2020. We should aspire to be in the top group of OECD countries in terms of both participation and performance. I am pleased to say that, as a government, we recognise that need to act.

I commend the Deputy Prime Minister for her commitment to setting targets and supporting the attainment of those targets through government policy and through funding. It is in stark and welcome contrast to those opposite who adopted a ‘slash and burn’ mentality to funding for the education sector while at the same time fostering an outdated, elitist approach to university access. From 1995 to 2005, the public contribution to higher education in Australia remained unchanged—the only OECD nation where this was the case. Well, times have changed. This government is committed to primary and secondary education and the TAFE and vocational sector through Building the Education Revolution.
Through this legislation, we are broadening the scope of the higher education sector and at the same time moving to secure the standing of Australia’s educational reputation. Make no mistake about it: to not act is not an option. Professor Bradley’s review makes for alarming reading. It is indeed a wake-up call, one which this government has heeded and acted upon. I commend the Higher Education Support Amendment (2009 Budget Measures) Bill 2009 to the House.

Mr HAASE (Kalgoorlie) (7.34 pm)—The Higher Education Support Amendment (2009 Budget Measures) Bill 2009 is the perfect opportunity for me to contribute to this debate, not so much to be critical of the proposition that the Minister for Education has put forward in response to the Bradley review but more to point out that, regardless of how good or how bad the education system at a tertiary level is in Australia, it simply fails all of the prospective tertiary students who live in the more remote areas of Australia. Mr Deputy Speaker Scott, I am sure you will share most of my views. It is not a case of how good or how bad the education system is at a tertiary level; it is whether you can afford to access it.

Many will say, and rightly so, that the HECS system, which gives students access to higher education, has served Australian students well—and I accept that. But, if you cannot afford to eat or shelter yourself whilst you attend tertiary education, it matters not whether somebody is going to pay the fees and it matters not whether the finer points of tertiary education are addressed by new regulations, budget measures or a well-meaning minister. I do not for a moment accept that this minister has set out to dud rural students. But her lack of understanding, her lack of experience and her general lack of acknowledgement of rural Australia result in her ignorance about the plight of tertiary students whose place of residence is naturally more than 50 kilometres from such an institution. I say 50 kilometres because, if you cannot travel to and from that tertiary institution reasonably within a day, you do not have the same opportunities that are there for people whose parents are residential, within 50 kilometres of a university.

Most of these institutions, be they classic or modern, are associated with our capital cities. If you are fortunate enough to be the child of a metropolitan-dwelling family and you have done well in secondary education and qualify to attend a tertiary institution, you will have all of the necessities to serve you well in that tertiary education. You will generally have Mum and Dad at home, living at an address where you can get pretty much free board and lodging. You might get to borrow the family car from time to time. You will have your friends—the support group that is your peers and has been around you for a number of years in your education—attending those tertiary institutions with you. You will not necessarily have to work through your tertiary education, because of the financial benefits of living at home, being familiar with the city and its surroundings, catching public transport—doing all those things that city kids do. If you want to be supported by the government, not only will you have your HECS fees paid upfront but you will also—if your parents are below, it would seem in this new proposition, $44,000—get the full youth allowance. The full youth allowance, at nearly $400 per fortnight, will serve you very well to live at home and attend university.

However, if you are a country kid and you live 50 kilometres or more from a university—and how about 2,000 kilometres from a university—and during your secondary studies you have perhaps been supported by the federal government to the tune of more than $6,000 per year as assistance for isolated
children, when you have done well with that federal government assistance and got the TEE marks necessary to attend a city institution and continue with your education, you are on your own. If you live in the bush and your parents are earning an income, it stands to reason that they are not going to be earning less than $44,000 as a household income, and therefore you are not going to qualify in full for the youth allowance.

Much less than that fortnightly youth allowance is not going to serve you very well living alone in a capital city. So what you do presently is manipulate your lifestyle to qualify whilst attending tertiary institutions by having the independent youth allowance. That is fine. Under the old rules you took a gap year; you went away, found work and earned about $19,000, and that would qualify you to go to the big smoke, attend university and get the princely sum of $375 a fortnight—or something like it. It was enough to take the pressure of having to support your accommodation, your transportation, your clothes and your books—all of the things that you would get almost as a matter of course living at home in the city—off your parents. You are presently confronted with taking a gap year and leaving your support peer group behind. I should say ‘being left behind’, because they have attended university immediately from secondary school. You spend 12 or 18 months working and you earn the money. You then attend university and you find yourself a year behind your peer group. You find yourself struggling. That is not the perfect way to a degree through university.

We have this independent youth allowance that is not designed for that purpose. It is designed for people who are independently living—people who are older, people who may have partners or may have partners working. The independent youth allowance is not designed as a plum for country students to fight for by taking a gap year to artificially put themselves into a situation where they can be termed ‘living independently’. I add at this juncture that, if you live in the city, take a gap year and qualify for the independent youth allowance; you can still go home and live with Mum and Dad on the crest of the wave, borrow the family car, be amongst your mates and get the independent living allowance. If the minister wanted to solve the problem of rorting that she and the Bradley review talk about, why did she not simply put in the regulations that if you are receiving the independent youth allowance you may not live at home in the parental abode? Simple. Instead of that, she has thrown the baby out lock, stock and barrel—if I can mix my metaphors!

We currently have a situation of gross imbalance. Depending on where you live, you may get good support whilst you attend a tertiary institution, with very little necessary outside support; or, if you live in the bush, you have to fight tooth and nail or have extremely wealthy parents who can afford about $20,000 in the first year and at least $10,000 thereafter to support you. Most people who live in the city think that anyone who lives in the bush is a squillionaire. That is the impression I get. So they all believe that it would therefore be irregular for those people to get youth allowance, because that is means tested. They also believe that the independent youth allowance is inappropriate. We have now made that almost impossible to get, because you have to take almost two years off. So what is left? What is the minister saying to the current group of students who have taken 12 months off to work—effectively 18 months off to start in the first semester? They have done their damnedest to earn enough money to qualify for this artificial status of independent youth allowance. Now, having done so or having the intent of completing that acquisition of
funds by first semester next year, they are being told: 'Too bad; you no longer qualify, because—guess what—having started the game and having been influenced by principals of high schools and advice from Centrelink, we have changed the rules, and the arrangements you put in place no longer apply. So either make arrangements for another 12 months gap or have your parents cough up to support you in the city whilst you attend a tertiary institution.'

I would point out that what we have as a foundation for country students attending tertiary institutions today does not serve the purpose. It has been considered for many years now that rural students who were more than 50 kilometres away from an appropriate educational institution received in excess of $6,000 a year from the Assistance for Isolated Children scheme. Having qualified, they now get dumped. Why isn’t a minister who talks about the education revolution—quite frankly, my rural parents believe it is the education dissolution—endeavouring to develop a program that will give some equity between children of city based parents and children of country based parents? Why is it that those in the bush have to fight tooth and nail to get a tertiary education, given that we say so much in this place about the lack of professional services in rural Australia?

Why wouldn’t a minister with so much foresight, as she insists on telling us, understand that one of the first solutions to getting professionals into rural Australia would be to allow rural Australians to be educated to a professional level and to then go back and serve their communities? It seems to me a perfectly logical conclusion. But we see nothing of it. We see instead a draconian impact on the lives of those students where this mean-spirited minister says: ‘Even though you have abided by the rules, and you intend to qualify under those rules for independent youth allowance, from January next year you will not qualify. You are out in the cold.’

Mr Deputy Speaker, you may believe that this is simply my point of view, but I have received a great deal of correspondence on this matter. It will not surprise you, if you listened to the presentation of petitions in the House today, you would have heard an announcement of hundreds and hundreds of petitions all pertaining to youth allowance and access to tertiary institutions. One letter that is worth quoting from comes from constituents of mine in Karratha, Western Australia. It says in part:

My oldest daughter is in her first year at Curtin University studying speech pathology and has recently completed and passed her first semester exams. My daughter’s intention is to complete her degree and return to Karratha with her qualifications and live and work in the town she calls home. My younger daughter is currently in year 12 and is on track for a university placing next year. She hopes to move into the science field of some sort, specifically in the animal sciences. She, too, plans to return to Karratha, when she has completed her studies, to live and work. As children growing up in a rural area, they are well aware of the shortages in service that country people experience every day. They have developed a sense of loyalty to the town they live in and would love to return something back to that community. As such, their wish is to return to the town with qualifications that will assist the community, and obviously give them a comfortable lifestyle that will allow them to live in an incredibly expensive town such as Karratha.

Unfortunately, the cost of keeping our children in school—and now, university—has reached a point where my wife and I are struggling beyond our financial means. Our older daughter, along with a large study load, has worked to support herself to the best of her ability. She will meet the current requirements to qualify for the independent youth allowance, which will obviously reduce our financial burden if it were to remain in its present form. The changes to the current structure will prevent her from qualifying for the allowance as she will not have been working for a full 18
months before the end of 2009. Along with punishing us, it also decreases the time available for our daughter to study as she is required to work longer hours in order to keep herself.

The stopping of this allowance for my older daughter, and subsequently my other children as they commence their tertiary studies, will make living in the country financially unsustainable for my wife and I. Without the support of this allowance we will be required to move to Perth and I will be forced to work away from the family home, possibly as a fly-in, fly-out worker in the north-west in order to provide for my family. By moving to Perth, our children will be able to live in the family home and therefore reduce the burden of supporting them in other accommodation and all the expenses that come with young adults living away from their parents. With their parents and siblings in Perth, it is very unlikely that our children will return to the country. Once again, the rural community will suffer through the further erosion by government of opportunities to bring professional services to the country.

In case the minister does not believe that that is a reasonable testimonial, let me quote from the Victorian Parliament’s education and training committee—I might add chaired by Labor member Geoff Howard, and with the effect of a Labor majority. It investigated the issue of rural disadvantage in relation to the government’s youth allowance measures. That committee’s report was supported unanimously by its participants. On this issue it commented:

The committee believes that the removal of the main workforce participation route will have a disastrous effect on the young people in rural and regional areas.

That is a group of the same colour, if you like, that understands that rural kids are disadvantaged when it comes to accessing tertiary education.

This debate about the quality of tertiary education and the bells and whistles that may be attached or may be removed or whatever is of little consequence if students cannot access that tertiary education. What we need, as I have said before, is a fund that will support tertiary students, similar to the currently available assistance for isolated children, that each year will give a student living further than 50 kilometres from a tertiary institution assistance to provide themselves with food and shelter—food and shelter that would be automatically available if that student were the child of a city based family.

I do not know why we have survived so many years as a parliamentary institution without recognising this difference. It has always been the case. Since HECS was introduced, we have had this maintained disadvantage, this inequity, this uneven playing field where country students have to fight tooth and nail to get themselves up to the same level as city based students. The minister has made much of the new access to an accommodation scholarship of $4,000 in the first year and $1,000 thereafter. Consider a three-year university degree. That gives you $1,750 a year to feed and shelter yourself, as a variation from a city based student. What is truly laughable—or it would be if it were not so serious—is that this minister seriously believes that that is levelling the playing field, that by giving somebody $1,750 a year they will now be able to go to the big smoke, find a bed and feed themselves for the year. If you put that to a person who is living in the city, they would say, ‘No way, Jose; it cannot be done.’ (Time expired)

Mr BIDGOOD (Dawson) (7.54 pm)—I rise to speak to the Higher Education Support Amendment (2009 Budget Measures) Bill 2009. This bill is about increasing funding for our universities and supporting the removal of caps on some student places. The bill also increases the cap on overenrolment of Commonwealth supported places from five per cent to 10 per cent, in funding terms, for 2010 and 2011.
The amendments to the act will support an increase in the participation of students from low socioeconomic backgrounds and will have significant benefits for families from low socioeconomic groups. There will be flow-on effects of higher education aspiration and attainment for both the students and their families, including improved future employment, economic and social outcomes. Through this bill, the Rudd government is launching a reform agenda for higher education that will transform the scale, potential and quality of the nation’s universities and open the doors of higher education to a new generation of Australians. More people can go to university as a result of this bill, and that must be a good thing.

I am passionate about education. I believe in lifelong learning and believe that as many eligible and willing people should go to university as possible. Having taken on a trade as a young man, it was as an adult that I enrolled at a correspondence university and completed a bachelor of science honours degree in social science over six years by education through the Open University. I truly do understand the benefit a university education can have for those who are willing and able to undertake the study.

Through this bill, the government is giving more people the opportunity to study than ever before. This bill will improve the financial sustainability of our universities, guaranteeing quality in a system that delivers funding for growth and participation by students from all walks of life and recognises the vital importance of research. I am particularly proud that the bill introduces landmark measures to improve the rate of participation in higher education by students from a disadvantaged background. The bill amends the act to provide for an increase in funding to address Australia’s historically poor record in increasing participation by students from a low socioeconomic background. Our commitment to ensure that, by 2020, 20 per cent of higher education enrolments at the undergraduate level will be of people from a low socioeconomic background is furthered with the provisions in this bill.

The injection of additional funding for universities will support these targets. From 2012, universities will receive performance funding if they meet their targets and agree to new targets for the forthcoming funding period. The Tertiary Education Quality and Standards Agency will provide an independent assessment of whether universities have met their targets. The funding will be fair and assessed fairly.

The bill amends the act to introduce a demand driven system of Commonwealth supported places from 2012 with transitional arrangements in 2010 and 2011. The bill also includes a new structural adjustment fund to support continuing transformation in the sector. The structural adjustment fund will be available to universities and will enable them to develop diverse missions.

In conclusion, this initiative is encouraging excellence in our universities and continuous improvement across the breadth of our higher education sector. It is also about fairness. Fairness is assured, as universities will be working to achieve the targets that they have negotiated for themselves. I commend this bill to the House.

Mr PYNE (Sturt) (7.58 pm)—I indicate that the opposition will be supporting the Higher Education Support Amendment (2009 Budget Measures) Bill 2009. However, we have substantial reservations about the timing of this debate. One of the consequences of this bill is the abolition of the Commonwealth scholarship programs. The government wishes to replace those scholarships as a part of its changes to the youth allowance arrangements. We all know that
those changes are contentious, and the opposition have indicated that we will be moving amendments to them when the government introduces that bill. The Greens have announced their opposition to sections of that bill, which I expect we will see in the very short term future.

However, those changes, to be detailed in the forthcoming Social Security and Other Legislation Amendment (Income Support for Students) Bill, are inextricably related to the abolition of Commonwealth Scholarships in this bill. It is quite unreasonable for the government to expect the parliament to abolish the existing Commonwealth Scholarships when they have yet even to introduce legislation providing for their replacements.

We know, by the way, that there are problems with the government’s changes to youth allowance too. The abolition of the workforce participation route for youth allowance eligibility as an independent will make it harder for thousands of young people from rural and regional families to go to university—a debate that we have been traversing in this House over the last week and a half of the sitting. Young people in rural and regional Australia have to move to the city if they are to pursue further study and are not necessarily able to rely on financial support from their parents, even if their parents’ income or assets mean that they are ineligible for youth allowance under the parental means test. There would be many such young people in the electorate of Mallee—

Mr Forrest—Hear, hear!

Mr PYNE—and the electorate of Deputy Speaker Scott. The government’s own figures show that 30,000 students will be denied youth allowance under these changes, beginning next year. The Deputy Prime Minister is clearly out of touch with the issues confronting rural and regional Australia, and unfortunately she has demonstrated that in the chamber in answers to questions today, yesterday and indeed over the last sitting week. In fact, before the parliament rose after the budget session the Deputy Prime Minister indicated a complete lack of understanding of the issues that young rural and regional Australians face. On the Q&A program on the ABC about 10 days ago, the Deputy Prime Minister affected a Marie Antoinette approach to this problem by virtually saying that young people should eat cake and she could not understand what they were complaining about.

The Deputy Prime Minister’s changes fly in the face of her rhetoric about increasing higher education participation from all sections of the community. They will actively discourage rural and regional students from attending university. Many of those rural and regional students currently access the scholarships that are being abolished in this bill. We are not satisfied that the replacement arrangements are adequate. While we are allowing this bill to pass through to the Senate, it is clearly unsatisfactory that it is being debated in isolation of the youth allowance changes. If the government had any integrity then the minister would finally introduce her long-awaited Social Security and Other Legislation Amendment (Income Support for Students) Bill so that these bills might be considered together.

Putting aside the scholarships issue for the moment, the Higher Education Support Amendment (2009 Budget Measures) Bill is the legislative instrument that delivers the measures included in the government’s response to the Bradley review. By no means does this bill represent an implementation of the recommendations in the Bradley review, as the minister has often characterised the changes. For one thing there is significantly less funding for the higher education sector than was recommended by Professor Denise Bradley. The Bradley review contained 42
recommendations covering a wide range of issues—from funding arrangements to allocation of places, quality frameworks, student support mechanisms, support for increased participation from disadvantaged and lower SES groups, increased encouragement of philanthropy, the extension of certain forms of government support to private institutions and other matters.

The Bradley review also set out ambitious targets for increased participation in the higher education sector—for 40 per cent of all 25- to 34-year-olds to hold a qualification of at least bachelor level by 2020. Australia’s current rate is 29 per cent. Targets were also set for participation amongst low SES Australians and other disadvantaged groups. By 2020, it is proposed that 20 per cent of all undergraduate enrolments in higher education be students from low socioeconomic backgrounds. To achieve this it was proposed that:

All qualified individuals will have an entitlement to undertake an undergraduate qualification unlimited in duration or value …

Such a system allows institutions flexibility to decide the courses they will offer and the number of students they will admit.

It is effectively a deregulation on places, which is to be applauded. It is difficult to imagine that the Labor Party would ever have supported such a market approach when in opposition, so this new flexibility is to be commended. However, the government will still dictate how much a degree will cost, meaning that those universities that are able to attract higher numbers of high-value international students will always have a significant resource advantage.

No review is perfect, and a number of Professor Bradley’s recommendations were criticised as being inadequate, contradictory or missing the point in certain areas by commentators and some stakeholders. However, even most critics of the review expressed a preference that a number of its measures be supported. The total cost of implementing all measures contained in the Bradley review would have amounted to approximately $6 billion to $7 billion in new funding over four years.

The government initially said it would respond to the Bradley review in February or March. In early February, Minister Gillard announced she would be having a review of the Bradley review, involving roundtable discussions with stakeholders. It is worth noting that during this period the government announced its second stimulus package in which it spent all of the money that might otherwise have been directed to higher education. This is typical of the government’s low prioritisation of higher education, as pink batts and cash handouts took priority over many of the Bradley review’s recommendations.

During March, Minister Gillard gave two speeches supposedly announcing the government’s response to the Bradley review. In reality, apart from indicating that they would be following the student based entitlement recommendation and that they would commit to meeting the Bradley review’s student participation targets—although their commitment to lifting the graduation rate of all 25- to 34-year-olds to 40 per cent was pushed back from 2020 to 2025—the government made no funding commitments, promising instead to do so in the budget.

The Deputy Prime Minister’s claim that the Labor government’s budget package is providing $5.7 billion in new money for universities is clearly a sham. Out of the supposed $5.7 billion in budget initiatives for universities, $2.99 billion is to be taken from a massive raid on the Education Investment Fund—a smash and grab on a fund that was designed and paid for by the previous gov-
ernment as the Higher Education Endowment Fund. Much of this funding was specifically targeted towards research projects. Of this package, $750 million is for ‘future rounds’ of funding for EIF projects, and $400 million of the EIF funding was directed towards environmental initiatives.

None of that EIF money is new money. It is all money that was able to be put away by the previous coalition government as a result of our sensible economic management and our retirement of debt—a concept quite unknown to this government. Therefore budget increases have been $1.2 billion for research and only $1.5 billion for teaching at universities, significantly less than the $6.7 billion recommended by Professor Bradley.

New funding is significantly biased towards expenditure in 2013. In the current financial year there is only an extra $246 million in new funding for teaching measures. This is unfortunately symptomatic of the government’s low prioritisation of higher education. They have been spending money like Paris Hilton on a shopping spree in New York, as the Leader of the Opposition would say, but they still have not returned to universities the money that was ripped out of the system by the abolition of full-fee-paying domestic places last year.

Moving along to the other aspects of this legislation, the coalition is pleased to note that the Labor Party has cast aside some of the ideological shackles so apparent in our Prime Minister’s regular essays to move towards a slightly more demand driven higher education system. The coalition supports the moves towards a more deregulated higher education sector, with more flexibility for institutions and more responsiveness to student demand. It is not a perfect system, and it is certainly not a perfect model, but it is an improvement. We would have appreciated Labor’s support for such reform when they were in opposition, but we welcome their late conversion to a more demand driven system.

Measures in this bill include: removing the government imposed cap on numbers of students in courses offered by universities from 2012, after a transition period that lifts the cap slightly in 2011—this is expected to lead to an extra 50,000 students undertaking undergraduate study over the four years, at a cost of $490.6 million; the creation of the new Tertiary Education Quality and Standards Agency—$60.8 million over four years; making more generous the indexation measures on basic funding to universities, at a cost of $577.6 million over four years; providing performance based grants of $206.4 million over two years from 2011-13 and grants to universities delivering on equity outcomes of $436.9 million—some of these grants programs replace similarly targeted programs of the previous government, in line with recommendations of the Bradley review; increased funding provisions for research programs—$512 million over four years; increase in postgraduate awards from $20,427 in 2009 to $22,500 in 2010; and, of course, the removal of a number of Commonwealth Scholarships programs—a budget saving of $709.8 million over four years. This saving offsets a number of new student support measures which, as I said before, are not included in this bill. These amendments go some way towards delivering on the recommendations of Professor Bradley’s review, although many Bradley recommendations have been ignored and this amounts to a very slight deregulation of the tertiary sector.

The coalition supports these changes, although we are very concerned that the Commonwealth Scholarships are being abolished when the bill introducing their replacements is yet to be introduced into the parliament. The coalition believes that the
government should move immediately to introduce their Social Security and Other Legislation Amendment (Income Support for Students) Bill, which provides for the replacement programs for the Commonwealth Scholarships, so that the measures may be considered concurrently in the Senate. The coalition will support the second reading of this bill, but I put on the record our grave reservations about abolishing Commonwealth Scholarships without at the same time putting in place their replacement. I hope the government will consider what I have said and move to introduce that bill so it can be debated concurrently in the Senate. The government will have the opportunity to correct that situation when the abolition of the scholarships are being debated without the introduction of their replacement by ensuring that, before this bill goes to the Senate, that bill is introduced into this place. We would encourage them to do so.

I am sure constituents in Maranoa, Mallee and all across regional and rural Australia are hoping the government will address in that bill their very real concerns about the changes to Youth Allowance. The coalition has highlighted at least two. There are many. For the government to move the goal posts halfway through the gap year of students who planned their futures around rules that were relevant at the time they made those decisions would be described by many as retrospectivity, which the coalition does not support. Others would describe it as simply unfair and un-Australian.

I am sure there are members of the House on the other side of this place—the member for Flynn, the member for Capricornia, the member for Bendigo, the member for Ballarat, the member for Hunter, the member for Richmond, the member for Page, the member for Wakefield, members for places in Tasmania, like Lyons and others, the member for Forde, and the member for Dawson, who just spoke in this debate and was uncharacteristically silent on the issue of Youth Allowance—who are being inundated in their electorates by young people and by their families, who are deeply and genuinely concerned about the opportunities for their children to get higher education being ripped out from underneath them without any notice and without the opportunity to replan their future in higher education.

Young people in rural and regional areas have already been identified by the previous government and accepted by this government as officially disadvantaged and underrepresented in terms of their access to higher education. The changes to Youth Allowance will make that situation much worse. People in their gap year immediately come to mind as students who will now no longer be able to go to universities because they will not be able to access youth allowance.

Putting aside the grotesque retrospectivity of that move, another aspect of the government’s changes is to require students to have worked 30 hours a week for 18 months in a two-year period to be able to access youth allowance. People in rural and regional Australia know instinctively that that will hurt their families and their young people. Labor members on the other side of the House, from right across the spectrum but particularly from rural areas, must know that young people in country areas will find it virtually impossible to find jobs in which they can work 30 hours a week for 18 months to access the independent rate of youth allowance. It indicates how out of touch the government are—they do not realise that they are making a group of disadvantaged people even more disadvantaged in their opportunity to be represented in higher education.

The coalition have said that we would immediately accept the government pushing
the date for the beginning of their changes to youth allowance out to 1 January 2011, from 1 January 2010. That would give everybody in their gap year the opportunity to begin higher education as they had planned at the beginning of 2009. It would cost money, and for that reason we have said that we believe the start-up scholarships for all young people who access youth allowance should be cut from $2,254 to $1,000. That would give the government the money to do so without punching a hole in the side of their budget. We have also said that the government—and we will come up with recommendations arising out of the Senate inquiry into this matter—should have a $120 million scheme for rural and regional scholarships for students to relocate to the places where they wish to undertake higher education. There is also a small amount of money necessary for the children of veterans. Finally, we have said that in government, in 12 months time, we will fix the 30-hour-a-week work test, which used to be 15 hours a week.

I can see members on the other side nodding and recognising that the opposition’s requests are not unreasonable. They are recognising that there is a problem which their minister refuses to acknowledge or see but which they are recognising in their rural and regional seats. I am thinking of the member for Dawson, the member for Capricornia, the member for Flynn, the member for Lingiari, the member for Wakefield, the member for Lyons, the member for Bendigo, the member for Ballarat, the member for Corangamite, the member for Hunter, the member for Macquarie, the member for Richmond, the member for Page and the member for Eden-Monaro. Right across the Labor members in rural areas, they recognise that the Deputy Prime Minister needs to actually listen.

The Deputy Prime Minister always believes that she is right about everything—it must be incredibly vexing for other members of the cabinet. The Deputy Prime Minister is always right about everything, but on this occasion she is entirely wrong. Members on this side of the House know that. There must be members from rural areas on the other side of the House who know it. And for the good of young people in rural and regional Australia the Deputy Prime Minister must swallow her pride, put her vanity aside for at least one decision and change these youth allowance reforms in order to give young people in rural and regional areas the same opportunity that their city counterparts have to access higher education.

Mr ZAPPIA (Makin) (8.18 pm)—I rise to speak in support of the Higher Education Support Amendment (2009 Budget Measures) Bill 2009, and I have a great deal of pleasure in doing so. This bill implements a suite of measures which complement the government’s national education reforms and which also advance the Rudd government’s education revolution—an education revolution which has seen the Rudd government commit over $62 billion to the schools sector over the period 2009-12. That is an 85 per cent rise, or close to double the $33.5 million invested in the last four years of the Howard government. It is a $62 billion investment that includes $14.7 billion for the greatest school modernisation program in the nation’s history, with every one of Australia’s 9,500-plus primary and secondary schools eligible for capital works funding. I am pleased to say that about $100 million of that has gone to almost 50 schools in the electorate of Makin, which I represent. The $62 billion also includes $970 million allocated over five years to provide 15 hours per week for 40 weeks of preschool education for every child. It also includes $2 billion of school computer funding for secondary schools. Again I note that over 1,900 computers, at a cost of almost $2 million, have been allo-
cated to secondary schools in my electorate of Makin.

The package also includes $2.5 billion of funding for trade training centres, $2 billion of funding for 711,000 vocational education training places, and a $6 billion investment in higher education and research infrastructure—which includes $1.1 billion for the National Super Science Initiative, which will expand key research in the science sectors of astronomy, marine science, climate science, nanotechnology and biotechnology. In fact, it is that $6 billion which effectively forms the basis of this bill.

Currently only around 32 per cent of 25- to 34-year-olds attain a university degree. The Rudd government, through its investment in education, has set a target of 40 per cent of 25- to 34-year-olds attaining a university degree by the year 2025. On 4 August I was a guest of the Chancellor of the University of South Australia, Dr Ian Gould, when I attended a University of South Australia graduation ceremony in Adelaide. The pride and the sense of tremendous accomplishment glowed in the faces of every graduate as they stepped forward to be handed their degree. It really brings joy to your heart to see people, having gone through almost a lifetime of education in their case, finally being given the ultimate certificate that they had been chasing. So it is important for us as a nation to try to ensure that more and more people are given the opportunity to be able to step up and accept that degree, as the hundreds of students did at that graduation ceremony two weeks ago when I was there.

As we all know, education does not start at primary school. Nor does it stop when you leave secondary school. For many young people, formal education ends well before the completion of secondary school. Across Australia, less than 75 per cent of students complete year 12. For students from low socioeconomic areas, only 59 per cent of students complete year 12. That in itself is cause for concern, because, without completing secondary school, entry into university becomes highly unlikely.

In response to this issue, the Rudd government is partnering with the states in a compact for young Australians. The compact means that every Australian aged under 25 not currently working will be provided with a guaranteed education or training place. The compact also brings forward $100 million of reward payments from the federal government to meet the goal of achieving a national year 12 attainment rate of 90 per cent by the year 2015.

Of course, failure to complete secondary school is not the only barrier to university education. For those young people who come from low socioeconomic communities there are many other barriers that need to be overcome. Those barriers have most likely been with them throughout their primary and secondary school years and are often the very cause of their inability to complete secondary school.

It is widely accepted that a good education is one of the greatest gifts a young person can be given. To quote Nelson Mandela: Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mineworker can become the head of the mine, that a child of farm workers can become the president of a great nation. It is what we make out of what we have, not what we are given, that separates one person from another.

Investing in education is not just about investing in individuals. It is as much an investment in the future of our nation, because a better educated nation is more productive and more prosperous. Young people from low socioeconomic communities who do not maximise their educational ability are limit-
ing not only their own options in life but also their productive contribution to the nation. That is why I particularly welcome the commitment in this bill to provide support for students from low socioeconomic areas.

I have been associated with several groups working in the northern region of Adelaide tasked with the difficult challenge of tackling the associated issues of raising secondary school retention rates and increasing university participation amongst children who come from low socioeconomic backgrounds. Many of these students, to use Nelson Mandela’s analogy, are the sons and daughters of factory workers, cleaners, farm workers and unemployed parents. In the northern region of Adelaide, university participation rates for young people are at around 16 per cent, or 10 per cent lower than that of the metropolitan area of Adelaide. Over the years, I have been associated with industry leaders who have difficulty in securing the suitably skilled and qualified employees needed to grow their businesses. I have served on advisory groups with secondary school principals who are working diligently to raise the retention rates within their schools, and I have been a member of the University of South Australia’s northern Adelaide partnerships group tasked with the challenge of attracting more young people from low socioeconomic areas into tertiary education. All of these efforts are making encouraging progress. However, we can certainly do more.

I will take a moment to address some of the key measures in this bill that will increase participation at university amongst students from low socioeconomic backgrounds. These measures will work in partnership with and complement the existing programs I have just outlined being run by schools, industries and universities. The bill has a specific target for universities to meet. By the year 2020 the aim is for 20 per cent of people involved in higher education to be from groups that are underrepresented in the system. These underrepresented groups include Indigenous Australians as well as those from low socioeconomic backgrounds.

In order to meet this target, the government has allocated $108 million over four years for a new partnership program to link schools in low socioeconomic areas with universities and vocational education and training providers. The intention of the partnerships program is to increase the aspirations of students of low socioeconomic status to higher education. The intent is to create links between schools and universities and to expose students to people, places and opportunities beyond the scope of their own experiences. Programs might include scholarships, mentoring of teachers and students, curriculum and teaching support or hands-on activities run by university staff in the schools.

A further $325 million will be provided to universities as a financial incentive to expand their enrolment of students from low socioeconomic backgrounds and to provide the intensive support students from such backgrounds require, including mentoring, counselling, greater financial assistance and academic support. There is no point in encouraging these students to enter higher education if, once they get there, the support services are not provided to assist them to complete their studies. Better measures of low socioeconomic status will also be developed which are based on the circumstances of the individual students and their families. Performance funding to universities will be based in part on how effective institutions are in attracting these students.

There are other measures within this bill that provide additional support to specific groups of students that I will also briefly address. The first of these is for Australian students who as part of their degree choose to
study for a period at an overseas institution. Under this bill, the government will remove the 20 per cent loan fee on overseas help loans to make it easier for students to study part of their course at an overseas institution. The removal of this fee means students now have less to repay long term, should they choose to study overseas for a time. Overseas study partnerships provide a range of benefits to the student and to the university. Firstly, it gives the student a wider experience during their degree. Secondly, the student, upon graduation, may be more attractive to a potential employer because of their language skills and the cross-cultural experience gained during their study. Thirdly, cultural awareness is raised and, fourthly, universities and the Australian economy benefit from international students coming to study here.

The support for Australians studying overseas has particular relevance for universities in my own state of South Australia, as many of the degrees offered, such as international studies or international business at the University of South Australia, either encourage or even mandate that their students complete a semester overseas as part of their degree.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Ms AE Burke)—Order! It being 8.30 pm, I propose the question:

That the House do now adjourn.

**Job Services Australia**

Mrs MARKUS (Greenway) (8.30 pm)—When the coalition was in government, Labor’s debt was paid off and the economy was healthy with a $23 billion surplus. It has taken just two years under Labor to accumulate a massive debt again—a debt unprecedented in Australia’s history—with no plan for recovery. If people are looking for differences between the coalition and the Labor Party, they can start with the budget and the economy. But there are other examples of how different the coalition is from Labor. Labor likes change for change’s sake; it gives them a sense of doing something. Hungry for a headline, it rushes in and makes the grand announcement on policy that often does not stand up to scrutiny. Take the new Job Services Australia program for the unemployed, formerly known as the Job Network. The Job Network was introduced by the former coalition government at a time when unemployment was 7.7 per cent and helped thousands of Australians into jobs with unemployment hitting a low of 3.9 per cent in February 2008. Job Network was a successful and highly effective program. But success and effectiveness are not the benchmarks for Labor. No, the criteria seem to be what will get a headline, how can I make my mark by changing the system and, if it has a coalition label on it, it has to be changed—changed but not necessarily for the better and not in the best interests of the unemployed. And it shows.

The successful Job Network has been morphed into the new Job Services Australia, a program that is convoluted, poorly designed and out of step with the current challenges of rising unemployment and limited job prospects. Highly successful employment service providers lost business, particularly in the not-for-profit sector. This has had highly damaging consequences, with equally damaging flow-on effects on the most vulnerable in our society, the long-term unemployed. I have been contacted by a provider of Work for the Dole services in my electorate who says:

The new Job Services Australia has not been adequately funded to service the supervision of work experience and long term Work for the Dole participants.
And here we get to the heart of the matter, the failure of the Labor designed system. My constituent goes on to say:

We have sent our participants away last week as the Job Services Australia provider did not have enough money in their budget. We deliver the service at the barest, most cost-effective level. No-one can do it cheaper except if they are staffed by volunteers and that is what the providers are asking for.

He suggests that more money is needed for the providers to purchase work experience positions but fears the Labor government will simply put the blame on Job Services Australia providers who tender for the work, knowing the prices were set. My colleague Andrew Southcott MP, shadow minister for employment participation, alerted the community to the funding shortfall under the new Job Services Australia model in a media release in June. He talked about highly successful employment service providers having to cut services, close facilities and, in some cases, withdraw from the market. With job service providers withdrawing from the market and some local providers, like my constituent, having to turn away work experience participants because there is not enough funding, how can that be helping the more than 770,000 job seekers who are in the system?

Currently 61 per cent of job seekers will be classified as ‘Stream 1’ under the new Job Services Australia system. That identifies those job seekers as being the most job ready: only 12.8 per cent of employment services will have funding available for this group. Budget forecasts are for unemployment to rise to between seven and 7.5 per cent by June 2011, with almost a million Australians out of work. An underfunded system is a disastrous outcome for the unemployed. In comparison, the coalition’s Job Network was an effective program for the long-term unemployed. It was adequately funded because of the coalition’s strong economic management and responsiveness to the needs of the long-term unemployed. That is the difference between the coalition and the Labor Party—economic management and responsiveness, not reckless spending and arrogance.

Ipswich Little Theatre

Mr NEUMANN (Blair) (8.34 pm)—I want to congratulate the Ipswich Little Theatre Society Inc. on its 40th anniversary. I was pleased to be at the 40th anniversary celebrations last Saturday evening with Ipswich mayor Paul Pisasale; the state member for Ipswich and Queensland Minister for Transport, Rachel Nolan; the member for Ipswich West, Wayne Wendt; and the friends and members of the society. I was pleased to be able to celebrate the achievements of the theatrical society and to acknowledge the historical value of the Incinerator Theatre and the society’s use of that building for the past 40 years. In the Ipswich Art Gallery, the most visited regional art gallery in the country, from 30 July to 13 September this year memorabilia and presentations associated with the Incinerator and the society are being exhibited. I commend all Ipswichians to go and have a look at that presentation.

Since 1946 the Ipswich Little Theatre has entertained audiences with all types of quality theatre. It is one of the few little theatre societies that has been operating continuously in Queensland for that period of time. The theatre is located on Burley Griffin Drive, just off Griffith Road, in Ipswich. The theatre is interesting not just for the people who are involved in it, and I would like to commend people like Judith Grant, the president; Jim Orr, the vice president, Craig Taylor, the past president; Helen Pullar, the secretary, and her husband, Ian, who presented the history of the society so wonderfully well on 15 August 2009; Jan Patterson,
the treasurer; and Margaret Cook, to whom I am indebted for information for this speech.

On 15 August 2009 we had the unveiling of an interpretive panel which outlined the building of the Walter Burley Griffin Municipal Incinerator and its workings and of its function as an intimate theatre since 1969. What is so fascinating about this is the fact that this is the only work in Queensland designed by Walter Burley Griffin. The Ipswich Incinerator was designed by Mr Griffin. In 1912, of course, he won an international competition to design our nation’s capital. His wife, fellow architect Marion Mahony Griffin, and architect Eric Nicholls established a practice in Melbourne, but it was badly affected by the Depression and as private commissions dried up Walter Burley Griffin turned his talents to an inventive approach to industrial architecture. Griffin designed buildings to be attractive and of high quality.

In 1935 the Griffins moved to India. Walter unexpectedly died of peritonitis there in 1937. While he designed the Ipswich incinerator—designed for an incinerator company—he never actually saw it. In 1930, the Ipswich City Council resolved to replace its unsanitary municipal rubbish tip with the incinerator. It was built by Ipswich architect George Brockwell Gill and the second chimney, designed by Eric Nicholls, was added in 1940. Along with Nicholls, Griffin designed 13 of the 16 incinerators in Australia. The Ipswich incinerator opened on 5 November 1936 and provided the most hygienic, efficient and economical method of garbage disposal available. It is an interesting building—located near Queens Park in the middle of Ipswich. The waste was disposed of in a particularly unusual way. But it was closed in 1961 as it could not cope with the quality and quantity of the garbage produced by the ever-expanding population in Ipswich. The building was run down and redundant and Ipswich City Council considered knocking it down.

In 1969, the Ipswich Little Theatre Society members agreed to make it their new home. The question was how to go about it. They were very creative—as the people involved in the society have been for decades. The conditions were pretty primitive but the society has made continuous improvements, such as an entrance balcony, courtyards, kitchens, public toilets and an ancillary rehearsal and performance space. They made tiered seating. There was a lighting box and storage for props, and there was a backstage area created with a green room. Lots of things were done. The society has been part of the rich heritage of Ipswich for 40 years, and the incinerator is testimony to the legacy in Queensland of Walter Burley Griffin, the man who has made such an impact on our nation’s capital. A little part of Griffin is in Queensland. I want to congratulate the society and all those people associated with it on this great day.

Western Australia: Redress Scheme

Mr IRONS (Swan) (8.39 pm)—I began my life as a ward of the state in Victoria. I spent three years in an institution as a child and then I was taken into foster care by the Irons family until I was 18. Even as a foster child I was still a ward of the state; a responsibility of the Victorian government. Whilst my time in the institution and foster-care system was ultimately a good one, I know that many others have painful stories to tell. I know that there are people who bear lifelong emotional scars from what is one of the saddest episodes in Australia’s history. Members of my own family were physically and emotionally scarred from their early childhood lives, and the only window I have into the world of institutional and foster-care abuse is through their experiences.
As I stated before, I can only begin to imagine the horrific experiences people suffered. Only a couple of months ago, I met with the members of the Care Leavers Australia Network, otherwise known as the CLAN, an organisation that provides support for people who have suffered in care. I sat with the ‘clannies’ for the tabling of the Community Affairs References Committee report *Lost innocents and forgotten Australians revisited*. It was an emotional day and I felt privileged to share the moment with them. The report describes the progress that has been made towards objectives in the *Lost innocents: righting the record* report tabled in 2001 and the *Forgotten Australians* report tabled in 2004. The term ‘lost innocents’ is used to describe a generation of child migrants brought to Australia from the UK. Responsibility for their safety was passed from the Commonwealth to the state governments and then on to various other agencies. The term ‘forgotten Australians’ is used to describe Australians who have experienced institutional and out-of-home care; it is that category that I fit into.

Over the last decade, parliament has received many graphic and disturbing accounts about the treatment and care experienced by children in these settings—again, under the responsibility of state governments across Australia. After meeting with the clannies and hearing what they had been through, I decided to support their cause. Two months later, I was disappointed to learn that the Liberal-National government in Western Australia had closed a redress scheme and decided to cut back on a compensation scheme for the victims of abuse in state care. As you know, Madam Deputy Speaker, I am a strong supporter of the Liberal-National government in Western Australia. Colin Barnett is doing a very good job and I understand the financial constraints that he is under at the moment. However, I think the WA government has got this one wrong and I urge it to reconsider its decision. What the WA government has unknowingly done with this shelving of the scheme is unite three groups in WA. They were not previously connected, but they are now united in their goal to see the compensation cuts reversed and have their scheme reopened.

These three groups are the forgotten Australians, the child migrants and the stolen generation. Incidentally, they would all prefer to be known as the ‘Remembered Australians’. A redress scheme has existed in Queensland, Tasmania and Western Australia. No other states or territories have had a redress scheme but some have supported the CLAN with funding to assist these, our fellow Australians, in their search for peace of mind. Under the WA scheme, many of the remembered Australians had to come forward to tell their stories and reopen their life wounds to get this redress—an emotional experience just on its own in the reliving of the horror and abuse. Last weekend there was an article by Jessica Strutt in the *West Australian* about a group of these people protesting against the reduction and cancellation of the redress scheme introduced by the previous government. CLAN co-founder Leonie Sheady, who flew from New South Wales to be at the protest, said:

Care Leavers came forward with great courage and rehearsed old memories and told their tragic and horrifying histories on the understanding there would be fair and reasonable redress of up to $80,000. Now they feel betrayed.

Leonie tells me that future silent protests are planned. It took a lot of courage for these people to come forward and share their stories. It is wrong to change the rules now. The Western Australian government must reconsider this decision.

Clannies are also pushing for a formal acknowledgement and apology to the lost innocents and forgotten Australians. I support
this call but people need to remember that an apology is not enough. In my first speech in parliament I referred to the apology to the stolen generation and the symbolism of it. I said while the apology may help some people get over the pain of the past, we need to address the problems still facing the Indigenous population of today with real solutions, not just words. The same is true here. In conclusion, I call on the WA state government to reverse its decision which saw the compensation scheme payment reduced from $80,000 to $45,000, and to reopen the scheme to be used for future claims. I also call on the federal government to urgently consider the recommendations of the report *Lost innocents and forgotten Australians revisited*.

**Pollies for Small Business Program**

Mr *HAYES* (Werriwa) (8.44 pm)—A couple of weeks ago I joined with many state and federal colleagues and took part in an event organised by the Small Business Council of New South Wales, Pollies for Small Business. It is a remarkable program. On this occasion I spent a few hours at The Beer Shed at Leumeah, a small boutique brewery that operates in my electorate. A family owned and operated business run by Tim Eggert, it provides assistance to those in the Macarthur area who have an interest in making their own beer using a commercial brewing facility.

I support the Pollies for Small Business program as it puts us, as members of parliament, at the coalface and gives us the opportunity to spend a bit of time in our communities working with local businesses and getting a feel for the issues that they face. The quid pro quo for those businesses is that they have the opportunity to raise matters directly with their local members. I have participated in this program for many years now and will continue to promote its success. I believe that it helps to level the playing field, leading to an improved understanding and mutual respect between businesses and members of parliament.

Even though many of us here may have run our own business, as I had the opportunity to do, the reality is that small business is under constant pressure, facing ever-changing circumstances. That is why we should take the opportunity to understand the major issues that impact upon the business community and what they experience and find out how we can assist.

We on this side of the House recognise that small business plays a key role in providing local jobs and driving recovery during these difficult economic times, and it is for this reason that government will continue to work hard to help small business. In the short time I have available, I would like to outline some of the initiatives that the Rudd government has introduced to support and assist small business during this globally challenging period.

Firstly, we are providing direct assistance to small businesses through an expanded and enhanced small business tax break. This initiative is wonderful news for the many local small businesses—currently almost 10,000—in my electorate of Werriwa. Small businesses with a turnover of less than $2 million a year will have access to an additional 50 per cent tax deduction for eligible assets. This is great news for my electorate, with 94 per cent of local businesses falling into that category. This tax break provides small businesses with an even greater incentive to invest in new capital items such as computer hardware and business vehicles and to undertake capital improvements to existing machinery and equipment. All other businesses will be able to access the tax break at 30 per cent for eligible assets.
Next I would like to refer to the $720 million tax reduction to provide cash flow relief for small business during 2009-10. Maintaining cash flow is critical to the viability of small businesses. To help boost cash flow, the government is reducing quarterly pay-as-you-go, PAYG, instalments for small businesses during 2009-10. This $720 million in cash flow relief comes on top of the boost provided by the government’s discounted December-quarter 2008 PAYG instalment, giving a further benefit for small businesses during this difficult time.

So that small businesses have access to the advice and support they need, the government is investing $46 million to fund 90 small business advisory services delivered through business enterprise centres, chambers of commerce and other not-for-profit business organisations. These small business advisory services provide much needed assistance to small business during the global financial crisis on matters such as preparing business plans and on applications for finance and cash flow management. I am fortunate enough to have one of these centres located in my electorate.

During these difficult economic times, the Macarthur and Liverpool BEC is providing guidance and support to hundreds of small business across Campbelltown and Liverpool. They have been doing this successfully for more than 15 years. David Waudby, CEO of Macarthur and Liverpool BEC, has recently said to me that during these current economic times and a direct result of the government’s Nation Building and Jobs Plan they have seen an increase in new ventures and, equally important, the creation of new employment opportunities. (Time expired)

**Cowan Electorate: Ballajura Community College**

Mr SIMPKINS (Cowan) (8.49 pm)—I am regularly inspired by the high standards, achievements and dedication of communities and staff of schools in the Cowan electorate. Today I would like to spend some time speaking about the biggest school in Western Australia, being none other than the Ballajura Community College.

The suburb of Ballajura is in the east of Cowan. There are four state primary schools that feed students into Ballajura Community College. Unlike most secondary schools in Western Australia, which start at Year 8, Ballajura Community College starts at Year 7. It has over 1,800 students and almost 200 staff.

I have had an involvement with BCC since 2005 when I first met the principal, Dr Steffan Silcox. What I would say about BCC is that, if there are new ideas or innovations for a school to pursue, Steffan Silcox and the staff will be looking to achieve and then extend those ideas.

It is also right to reflect upon the environment in which BCC exists. Ballajura is a highly diverse suburb, with a range of socio-economic circumstances. While the students come from these sorts of backgrounds, there is ample evidence unity has been achieved and that by any measure strength and success has resulted from the efforts of the staff, the school community and the students. BCC is a story of great success. Somewhat maligned by adverse media reporting in the past, it has always been my experience that BCC does great things for the students and has risen to be the core of the community in Ballajura.

Everyone in Ballajura knows that the creation of the Ballajura War Memorial and Peace Park has become something of an Australian spiritual centre in the area. It would not have existed had it not been for Dr Silcox, the staff and students at BCC, who saw that having the memorial was very important in the area. I was very pleased to have had involvement in getting funding for the park under Regional Partnerships. It is important
to acknowledge that in spite of Ballajura being like most suburbs in Perth, afflicted with graffiti vandalism, the unfenced Ballajura War Memorial and Peace Park remains unmarked, testament that some things are sacred for all Australians. While I have said that one of the great successes for the BCC school community is the peace park, BCC’s successes are not just in physical structures; they are in the achievements of its students.

I was witness to an example of this on Saturday, 15 August. I attended the final night of the BCC production Grease, which took place at the Astor Theatre. I have attended their productions since 2006, and it was great to see that 2009 was again a high-quality and memorable performance. Judging by the credits and acknowledgements on the program, it was clear that not only was the production a great staff and student effort but it was a whole-of-school-community effort. While I would like to mention all of them by name, I do not have 20 minutes, only five; nevertheless, at the risk of offending some of the hardest workers, I will mention the director, Michele Zorbas; the musical director, Nicolie Hatch; choreographers Peta Scrimgeour, Jessica Green and Tenielle Lloyd; and the vice-principal and financial administrator, Cheryl Steele.

It would be wrong of me not to mention the principal cast members, who did such a great job on the night. Sandy Dumbrowski was played by Ruby May, and her strong voice was a feature of the night. Danny Zuko was played by Vincent Douglas, who was excellent. James Douglas played Teen Angel, and we were told that he was called into the performance on Friday morning for the last two shows after Jeremy Brown became ill. In four hours James Douglas learnt the song and the steps in his scene, and he carried it off brilliantly. The principal actors all did a great job. I acknowledge Ashlee Kovalevs, who was Miss Lynch; Chloe Diedrick as Patty Simcox; Thane Liem as Eugene; Leah Hamley and Lauren MacKay as Jan; Madeleine McKenzie as Marty; Hamzatu Mensah, who did a great job at Rizzo; and year 8 student Timothy Tan, who sang and played the guitar, displaying outstanding effort and great ability. Roger was played by Sheshadhrri Panneerselvam; Kenickie was played by Guiseppe Zampogna; Sonny was played by Joshua Jervis; Frenchy was played by Gemma-Paige Wood; Vince Fontaine was played by Elvan Luu; and Cha-Cha Di Gregorio was played by Shamara Wijesundera.

Necessarily, schools are sometimes assessed by the academic achievements of the students, but, while the students of BCC can proudly hold their heads up to that criterion, that is just one small side of a school. The reality is that schools help parents raise and educate young Australians, readying them for a productive future for this nation and for themselves. Through activities such as school productions, young people are taught teamwork and the need for commitment, as well as personal and group excellence. These are lessons vital to the future of these young people, lessons very well learnt at BCC. I congratulate staff, parents and all the students involved in the 2009 production of Grease.

South Australian Living Artists Festival

Ms RISHWORTH (Kingston) (8.54 pm)—Art is a natural complement to our society. It reflects our values, our ideals—in short, it reflects us. Our cultural identities, as vast and as different as they are, all find a place in our art. From our books and films to our music and plays, art holds a pivotal role in opening up new ideas and understanding for the artist and the audience. In short, art moves us. We should never think that art and culture hold merely an aesthetic purpose. Artists are workers too, forming part of our
Working artists support themselves and the economy through the sale of art, the holding of festivals and shows and also through the spurring on of creativity. The support we give to culture and the arts returns to us in the growth of our communities and our wealth. The support given to the creativity and ideas of artists can be viewed in the innovation and success of our economy.

This evening I rise to speak about visual art, in particular the current South Australia Living Artists Festival, otherwise known as SALA, which is held right across South Australian communities, including in my own electorate of Kingston. The SALA Festival was born of artists and is now a yearly program that sits firmly on the South Australian calendar. The SALA Festival is an illustration of great South Australian creativity and expression, giving space for artists to display their work and providing the opportunity for people right around the state to engage with it.

A couple of weeks ago I had the pleasure of opening one of the exhibitions for the festival at Shivers restaurant in Aldinga. On display were works of artists with a range of experience and ages, including David Parle, Helen McArthur, 20-year-old Rani, Sharon Pitman and Sue Taylor. These artists come from a wide variety of backgrounds and experience, and there was a variety of artworks—some were sketches, some were oil paintings. There was a range of beautiful and wonderful paintings there, and I was very pleased to be part of it. I am quite familiar with Sharon’s work in particular, as she often displays in the local area and also teaches others about painting and about expression in their art. This event was sponsored by local sponsors, and I would like to place on the record thanks to Minko Wines, the Olive Shop and Spice Girlz in McLaren Vale, because access to this gallery was free. It is a really important part of the SALA Festival that you can access the art for free.

I was also lucky to attend another SALA exhibition at Waverly Homestead in Willunga. This exhibition was put on by STARS, the Southern Theatre and Arts Supporters. This was a different type of visual art. It was the work of ‘Igora’ Lucyna Opala, hand crafted felt which had been made out of wool and silk. It included beautiful shawls, wall hangings and scarves. One thing that Igora mentioned was that they were all made with intense creativity and an intense amount of love. They were bold and beautiful works, and you could see appreciation on the faces of everyone who attended the exhibition. I would also like to take the opportunity to thank STARS for their support of this exhibition and also for the support they give to other artists all year round in ensuring that we in the southern suburbs of Adelaide get to see a whole range of wonderful expressions of art. I only wish that I was able to attend more of these events across the year.

As I mentioned, the SALA Festival aims to make art accessible to everyone. All SALA events are completely free of charge. As the exhibition continues until 23 August, it will display over 2,700 artists across 500 venues. Almost 20 of these are in my electorate. This is an incredibly exciting project for South Australia. It supports creativity and innovation in South Australia, and I would like to congratulate everyone involved in the SALA Festival. I think it is a wonderful program and I will certainly support it for many years to come.

The DEPUTY SPEAKER (Ms AE Burke)—Order! It being 9 pm, the debate is interrupted.

House adjourned at 9.00 pm
NOTICES
The following notices were given:

Ms Gillard to present a bill for an act to amend legislation relating to telecommunications, and for related purposes.

Mr Albanese to present a bill for an act to amend the Education Services for Overseas Students Act 2000, and for related purposes.

Mr McClelland to present a bill for an act to amend the Foreign States Immunities Act 1985, and for related purposes.

Ms Parke to move:
That the House:
(1) notes that:
(a) over 2,000 nuclear weapons tests have been conducted between 1945 and 2009;
(b) the Comprehensive Test Ban Treaty (CTBT) bans all nuclear test explosions in all environments, for military or civilian purposes;
(c) the sixth Article XIV (Entry Into Force) Conference of the CTBT will be held 24-25 September 2009;
(d) for more than half a century, countless scientific experts, political leaders and community organisations have pursued the goal of a more secure world free of the dangers of nuclear weapons test explosions;
(e) the CTBT is important to all states because it stigmatizes nuclear testing, halts the qualitative and quantitative nuclear arms race and the development of increasingly more destructive weapons, and protects human health and the global environment from the devastating effects of nuclear weapons production and testing; and
(f) nine states required for the entry into force of the treaty have not yet ratified the treaty; and
(2) calls on the Government to:
(a) renew and sustain dialogue with those nine states that have not ratified the CTBT, urging them to do so without de-
lay, most notably those states possessing nuclear weapons, the United States, China, India, Pakistan, Israel and the Democratic People’s Republic on Korea;
(b) call on all states possessing nuclear weapons to refrain from research and development efforts that could lead to new warheads and the possibility of the resumption of nuclear testing;
(c) participate in the Article XIV Conference at the highest level; and
(d) continue to participate and support the development of the CTBT verification regime, including the international monitoring system.

Mr Sidebottom to move:
That the House:
(1) is highly critical of Telstra for introducing a $2.20 fee for over-the-counter and mail payments of Telstra bills;
(2) notwithstanding concessions for pensioners and some Health Care Card holders, notes such a charge is an unfair penalty on low income families and individuals and considers it to be a penalty which is unfair and unjust;
(3) regards the $2.20 fee and accompanying increases in processing charges for payment by credit card as an attempt to herd people onto the Internet or force them into direct debit arrangements, often against their wishes or capacity;
(4) acknowledges these increases will negatively affect thousands of low income customers and fly in the face of Telstra Chief Mr David Thodey’s corporate instruction to Telstra staff and agencies to become ‘customer ambassadors’; and
(5) on behalf of the many thousands of loyal Telstra customers who will be negatively affected by these charges, asks Telstra to rescind the fee and demonstrate in a practical way that Telstra is, once again, truly ‘an agent of the customer’.

Ms Collins to move:
That the House:
(1) strongly objects to recent announcements by corporations, such as Telstra, that they will charge an administrative fee for payment of accounts by cash in person;

(2) notes this fee for payment of accounts impacts adversely on those people that can least afford it; and

(3) calls on the:
   (a) Australian Competition and Consumer Protection Commission to investigate the impact on consumers of these type of charges; and
   (b) Treasurer to review whether it is necessary to amend the Currency Act 1965 or the Reserve Bank Act 1959 to ensure that all Australians are able to make payments in legal tender in person if they choose.
QUESTIONS IN WRITING

National Partnership Agreement on Homelessness
(Question No. 759)

Mr Morrison asked the Minister for Housing, in writing, on 25 May 2009:

In respect of the National Partnership Agreement on Homelessness

(1) Do any State and Territory governments not yet have agreed implementation plans in place; if so, which State and Territory governments, and what are the reasons for the delays in completing such plans.

(2) Is Australian Government funding under this agreement for the 2009-10 financial year $71.1 million; if not, what is the total sum of funding.

(3) What share of funding in part (2) will each State and Territory government receive.

(4) Is Australian Government funding under this agreement for ‘A Place to Call Home’ for the 2009-10 financial year $26.6 million; if not, what is the total sum of funding.

(5) What share of funding in part (4) will each State and Territory government receive.

Ms Plibersek—The answer to the honourable member’s question is as follows:

(1) All Government’s have submitted implementation plans. Plans have been finalized in all jurisdictions except the Northern Territory. The Northern Territory plan was delayed due to Northern Territory Cabinet processes.

(2) The Australian Government’s funding contribution under the Homelessness National Partnership Agreement in 2009-10 is $71.1 million.

(3) The distribution of the Australian Government’s funding under the National Partnership Agreement on Homelessness to the states and territories is:

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(4) This funding does not include A Place to Call Home. The Australian Government’s funding contribution under A Place to Call Home for 2009-10 is $26.6 million with matching effort by States and Territories.

(5) The distribution of the Australian Government’s funding under A Place to Call Home to the states and territories is:

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Shark Fishing
(Question No. 769)

Mr Robert asked the Minister for the Environment, Heritage and the Arts, in writing, on 1 June 2009:

What is the Government doing to stop the practice of shark finning.

Mr Garrett—The answer to the honourable member’s question is as follows:

The Australian Government is aware of the continuing threat to shark species domestically and internationally, especially trade in shark fin and is firmly committed to ensuring the best practise conservation and management of shark species.
The practice of shark finning, where the fins are removed and the trunk of the shark is discarded at sea, is not permitted in fisheries managed by the Australian Government, nor does Australia condone the practice of shark finning.

Australia takes a lead role internationally to ensure regional and global shark populations are managed sustainably and supports measures that encourage the full utilisation of sharks. The Australian Government has led efforts in regional fisheries management organisations, such as the Indian Ocean Tuna Commission, to ensure the practice of shark finning is banned and has continued to strive for improved monitoring of shark catches and stronger compliance of management arrangements.

The Australian Government has a compliance program, which incorporates the surveillance and apprehension of unlicensed foreign vessels fishing in the Australian Fishing Zone, including conducting deterrence and apprehension activities in tropical, temperate and cold water regions. This program has resulted in a significant decrease in the number of foreign vessels detected within the northern waters of the Australian Fishing Zone, where illegal shark fishing by foreign vessels has been most prevalent in the last few years.

The Australian Government is also working to ensure that management arrangements in shark fisheries promote sustainable fishing practices and that shark species are not over-exploited. As part of its role in accrediting the export of products derived from Australia’s fisheries, my Department works closely with fisheries management agencies from all jurisdictions to ensure fishing activities, including where shark are taken, are conducted on an ecologically sustainable basis.

**People-Smuggling**

(Question No. 835)

Dr Stone asked the Minister for Home Affairs, in writing, on 25 June 2009:

1. How many crew members of boats that have brought asylum seekers to Australia have been charged with people smuggling offences since August 2008.
2. How many have had their cases heard.
3. What are the outcomes of those cases.
4. How many organisers of these boats have been located and charged.
5. How many of those who have been located overseas have been extradited to Australia.
6. How many have been convicted and how many have had their cases dismissed.
7. Of those convicted, what have the penalties been.
8. Have any been sentenced to serve time in jail; if so, for how long and where.

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:

1. Between August 2008 and 24 July 2009, 41 crew members have been arrested and charged in relation to people smuggling offences.
2. Of the 41, 14 crew members have been sentenced. The remaining 27 crew members currently have their matters before the court.
3. The 14 crew members have been sentenced to periods of imprisonment ranging from five years to nine years.
4. Six people have been arrested for involvement in organising alleged people smuggling ventures; four Australian nationals and two Indonesian nationals. Interpol red notices are in existence for a further two people.
5. Two organisers located overseas have been extradited to Australia.
6. Of the two organisers extradited, one person has been convicted. The other person’s matter remains before the court.
(7) The convicted organiser received a sentence of five years imprisonment.

(8) The one organiser convicted is serving five years imprisonment at the Casuarina Prison, Western Australia.